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CONSUMER VALUES, PRODUCT PERCEPTION AND PRODUCT DESIGN:

PERSPECTIVE OF CAR DESIGN IN FIVE EUROPEAN COUNTRIES

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KULUTTAJIEN ARVOT, TUOTTEIDEN HAVAINNOINTI JA TUOTEMUOTOILU: AUTOMUOTOILUN NÄKÖKULMA VIIDESSÄ EUROOPAN MAASSA

Tutkimuksen tavoitteet

Tutkielman tavoitteena oli rakentaa viitekehys, joka helpottaisi selittämään kuluttaja-käyttäytymisen – erityisesti arvojen – ja tuotteiden välillä vallitsevia monimutkaisia suhteita. Tarkoituksena oli muodostaa laaja käsitys näistä yhteyksistä ja keskustella tuotemuotoilun roolista tässä kontekstissa. Perustavanlaatuisena kysymyksenä oli, miten kuluttajat havannoivat tuotteita, tässä tapauksessa autoja. Lisäksi, toissijaisina tavoitteina oli vertailla kuluttajakäyttäytymistä ja –arvoja, autojen havainnointia ja asemaa, designmieltymyksiä ja asenteita uusia autokonsepteja kohtaan Suomessa, Ruotsissa, Ranskassa, Italiassa ja Saksassa, sekä tutkia auton imagon muodostumista. Tutkimus oli osa laajempaa projektia, joka perustui IDBM-ohjelmaan (International Design Business Management Program).

Tutkimusmenetelmä

Tutkimus oli luonteeltaan kvalitatiivinen. Aineiston keruu tapahtui pääasiassa kirjallisen materiaalin ja henkilökohtaisten haastattelujen pohjalta. Tutkielmassa tarkasteltiin aiempaa tutkimusta kuluttajakäyttäytymisen ja –arvojen, kulttuurien vertailun sekä tuoteperspektiivien, -imagon ja –muotoilun alueilta. Teoreettisen keskustelun tueksi esitettiin esimerkkejä (pohjautuen artikkeleihin, uutisiin, mainoksiin jne.) autoteollisuudesta ja automuotoilusta, sekä kohdemaista. Empiirinen osa nojautui myös 43 haastatteluun, jotka tehtiin Suomessa, Ruotsissa, Ranskassa, Italiassa ja Saksassa. Haastateltavien joukko koostui autoalan eksperteistä (muotoilijat, markkinoijat), kuluttajakäyttäytymisen ja trendien ammattilaisista (muotoilijat, mainostajat, muotialan ihmiset), sekä eri alojen (esim. markkinointi, sosiologia, informaatioteknologia ja viestintä) tutkijoista. Laaja aineisto analysoitiin tutkimusta varten luodun viitekehyksen pohjalta.

Tutkimuksen tulokset

Tutkimuksen ensisijaisena tuloksena oli laaja-alaisen näkemyksen syntyminen tuotteiden havainnointiin, kuluttaja-arvoihin, tuoteimagoon ja -muotoiluun liittyvistä osatekijöistä. Tuotteita voidaan tarkastella monesta eri näkökulmasta. Kansainvälisen liiketoiminnan kannalta oli tärkeätä todeta kohdemaiden sekä niiden kuluttajien, arvojen ja käyttäytymisen erot. Näillä kulttuuritekijöillä on vahva vaikutus myös siihen, miten kuluttajat näkevät ja kokevat tuotteen, kuten tässä tapauksessa auton. Tutkimus myöskin osoitti, että tuotemuotoilulla on erittäin tärkeä rooli markkinoinnin piirissä, sekä tutkimuksessa että käytännössä.

Avainsanat

autoteollisuus, Eurooppa, kuluttaja-arvot, kuluttajakäyttäytyminen, kulttuurierot, tuotemuotoilu

HELSINKI SCHOOL OF ECONOMICS
AND BUSINESS ADMINISTRATION
Master's Thesis in International Business
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ABSTRACT

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CONSUMER VALUES, PRODUCT PERCEPTION AND PRODUCT DESIGN: PERSPECTIVE OF CAR DESIGN IN FIVE EUROPEAN COUNTRIES

Research objectives

The goal of the study was to build a framework that would help to explain the complex relationships between consumer behavior – especially regarding values – and products that in the paper were represented by passenger cars. The objective was to gain a broad understanding of the connections between these issues and to discuss the role of product design in this context. Thus, the underlying question was how cars are perceived by consumers. Secondary objectives were to compare consumer values and behavior, car perception, the role of car, design preferences and adoption of new cars in Finland, Sweden, France, Germany and Italy, as well as to examine the image formation of cars. The study was part of a larger project that was based on the International Design Business Management Program.

Research methodology

The study was qualitative in nature. Data collection was primarily completed through document reviews and in-depth interviews. First, previous research on consumer behavior and values, cultural studies, and research on product perspectives, images and design were monitored. Theoretical discussion was constantly supported with examples (articles, pieces of news, adds etc.) from the field of car industry and car design, and from the target countries. The empirical part was based on 43 interviews that were conducted in Finland, Sweden, France, Italy and Germany. The list of interviewees included experts from the car field (designers, marketers), professionals of consumer behavior and trends (designers, advertisers, people in fashion), as well as academic researchers from different disciplines (e.g. marketing, sociology, information technology and communication). The wide material base was analyzed through the framework that was created for the study.

Major outcome

The primary result of the study was that it formed a broad view of different factors connected to product perception, consumer values, product image and design. Thus, products can be monitored from various perspectives. Regarding international business, it is important to note the differences between the target countries and their consumers, values and behavior. Cultural factors have a strong impact on the way how consumers perceive products, like cars. In addition, the paper demonstrated that product design has an essential role in the area of marketing, both in research and in practice.

Key words

car industry, consumer behavior, consumer values, cultural differences, Europe, product design, product perception

TABLE OF CONTENTS

LIST OF FIGURES AND TABLES

FIGURES:

TABLES:

1. INTRODUCTION

1.1 Background to the Study

This study focuses on consumer values, product perception and product design. We will discuss these complex issues by using cars and car design, and five different European countries as examples.

This particular study was part of a project - based on the International Design Business Management Program (IDBM) by Helsinki School of Economics and Business Administration (HSEBA), University of Arts and Design Helsinki (UIAH) and Helsinki University of Technology (HUT) - that aimed to understand key drivers in European design, interior and fashion trends and their relationship to various consumer preferences. The goal was to provide scenarios for design trends in selected product categories in certain European countries. The project was accomplished by the author and Irina Viippola, a student of industrial design from UIAH. Professor Jukka Ranta (Industrial Management/HUT) was the Head of the project and Lic.Sc.(econ.) Markku Salimäki from HSEBA (International Business) had a role of an advisor. The material that was collected and the interviews that were made during the project formed a basis for this study.

The foundation of all marketing activities is built on the knowledge of consumer behavior. For Example Solomon (1992, 6) states that according to an elementary marketing concept, organizations exist to satisfy consumers' wants and needs. These wants and needs can be satisfied only to the extend that marketers understand the people that will use the products and services they are trying to sell and that they do so better than their competitors. Consumer behavior is the underlying issue framing this study.

Brands often have clearly defined images or personalities that are formed by product advertising and other marketing strategies that position products in a certain way. Consumers then choose products due to their desirable images that correspond to consumers' own image. (Solomon 1992, 3) In image formation, product design usually has a central role.

Design is a crucial part of companies' product and thus marketing strategy. The intensive competition between companies in mature industries, saturated with almost identical products is said to be the major reason for increasing interest in design as a strategic resource (e.g. Svengren 1995, 15). This is the case especially in the product development of passenger cars, whose exterior and interior design have a significant impact on the consumers' perception of cars.

The gigantic automotive industry with a number of over 35 million passenger cars manufactured globally (Suomen Tieyhdistys 1997, 108) offers many opportunities for research. Car as an everyday product with long traditions in design works as an excellent object for research on influences of different aspects on consumers' behavior and preferences. The worldwide spread of shared tastes in car styling has prompted the industry's giants to go global, which is also strongly affected by the improved facility of being better attuned to regional tastes that undoubtedly differ from each other (see e.g. Simonian 1997). The differences in characteristics of car design are evident not only among European, American and Far Eastern manufacturers, they can be identified also within Europe, which is the area of interest in this study. Cultural differences may be the most fundamental issue in the area of international business:

> *"...there are certain features, such as the cultural, racial and historical background where differences clearly remain. Clearly there is a need to assume a global perspective yet achieve a full understanding of each local market. It is necessary to keep in close touch with local conditions - not only in the automobile market, but also in the day to day life and cultural values of each market."* (Hisatomi 1991, 60)

Regarding the international markets, we will focus especially on Germany, France, Italy, Finland and Sweden. The first three countries represent the most important car markets in Europe. Germany holds the largest passenger car stock in Europe, Italy the second, and France the third largest (followed by United Kingdom, Russia and Spain) (Suomen Tieyhdistys 1997, 101). They stand in the top positions on the list of new registrations as well (AAMA 1995, 14). All of the three countries are also major players in the production of passenger cars worldwide. In this respect, Germany is number one in Europe, followed by France, Spain, United Kingdom and Italy (AAMA 1995, 2). Moreover, Germany,

France and Italy have long and powerful traditions in car manufacturing and strong domestic car brands that differ from each other in many ways, not least what comes to design. Finland and Sweden are selected due to their close distance and thus facile and low-cost possibility of analysis but also because of these countries' interesting nature in the context of research themes of this paper.

1.2 Research Gap

Consumer behavior has been widely researched during the latest decades. The field of consumer research developed as an extension of the marketing research field, focusing almost exclusively on consumer behavior rather than other aspects of the marketing process (Schiffman & Kanuk 1994, 25). The behavior of consumer in different countries and cultures is also studied by a great number of researches from different disciplines. Attempts to predict consumer behavior and trends in the market have been in the interests of both researchers and marketers.

Values in different countries have also been studied by several researchers. For instance, Inglehart's studies (1977 and 1990) offer a large database for country comparisons. In general, there is a vast amount of data available, but the problem is that it is often confidential or very expensive. There are also lots of different models based on values to be found in disciplines of marketing, sociology, psychology etc., to which we will refer in this study.

Our knowledge of human behavior will never be sufficient, nor the existing studies applicable to every new situation. According to the purpose of each study in question, new research is usually needed to meet that purpose, and the former data may often be used only as a cue or supporting source of information. Even though they are relatively slow to change radically, values in different countries are going through evident changes induced by globalization, technological development, ecological issues, and various other visible and invisible drivers. Their influence on consumers' behavior is everything but easy to define, and topical discussion is thus constantly required.

Car is a traditionally used object in many research connections. There appears to exist a great number of large studies from the automotive industry (e.g. Altshuler et al. 1984), and case studies of different manufacturers (e.g. Kern et al. 1990). Moreover, messages hidden behind the appearance are studied for instance by semiotics (e.g. Solomon 1988). The interesting connections between values - both values or attributes related to certain cars, and values of consumers choosing cars - are also researched by some researchers, like Niininen (1994) or Sukhdial et al. (1995).

Product design is an issue that has attained a surprisingly low level of attention in the areas of marketing and business research - and especially from an international perspective - in proportion to its importance for these disciplines. Indeed, like Bloch (1995, 16-17) states:

> *"The product constitutes one of the classic four P's of the marketing mix, and the most fundamental characteristic of a product is its exterior form or design... In one survey of senior marketing managers, design was mentioned as the most important determinant of new product performance by 60% of respondents... Despite the centrality of product design to marketing practice and society as a whole, empirical studies are rare in marketing journals. Furthermore, our discipline has not developed conceptual frameworks for its study."*

Thus, studies focusing on the importance of product design are needed in the areas of marketing and international business. There appears to be demand for research to outline relationships between consumer values and products, and the role of design in consumers' perception of products like cars. In an international context, impacts of cultural factors on consumer behavior also require further research.

1.3 Purpose of the Study

The goal of this study is to build a framework that would help to explain the complex relationships between consumer behavior - especially regarding values - and products, or tangible objects, that in this study are represented by passenger cars. The objective is to gain a broad understanding of the connections between these issues and to discuss the role

of product design in this context. The purpose is also to bring the discussion of values, product perspectives and design into more practical use by e.g. presenting how the adoption of new products may be partly explained through this framework. Examples from the car industry, car design, and five different European countries (Finland, Sweden, France, Italy and Germany) are constantly included in the text.

In other words, our two main research questions are:

- *What kind of connection there may be between consumer - especially his/her values - and product (car)? The prior theme is how cars are perceived by consumers.*
- *What is the contribution of product (car) design in this context?*

The sub-questions are:

- *What are the general differences in Finland, Sweden, France, Italy and Germany, concerning consumer values, consumer behavior, car perception, role of the car, and design preferences?*
- *In which way could we describe the adoption of new products and design in our target countries?*
- *How is the image of a car formed, and how strong is the country of origin influence on the image?*

Thus, the nature of this qualitative study is both descriptive and explicatory. It aims to describe the critical factors behind consumer behavior and tastes in target countries but it also tries to find connections between these elements. So, the questions to be answered include both the type of *what* and *what kind of*, and *how* and *why* (Kangasharju & Majapuro 1995, 13). Furthermore, the study may be identified as a type of comparative cross-cultural study.

The research approach can also be described as a sort of *semiotic* analysis. Semiotics look for surface manifestations and underlying structure that gives meaning to these manifestations and use often terms of denotative (i.e. explicit) and connotative (i.e. implicit) meanings (Feldman 1995, 4). In this study, design may be viewed as a visible

sign – a surface manifestation – reflecting the underlying structure of meanings linked to design. Consumer's perception of car design (and car as a whole) is then based on the relationship between this structure and consumer's own mental setting (dictated e.g. by values); same design is perceived in a different way by different consumers. Thus, design's role as a semiotic sign is extremely important.

1.4 Definitions and Limitations

1.4.1 Definitions

Despite their universality - or exactly because of that - we find it useful to define some key concepts of the study already in this introductory chapter. Many of our themes can be monitored from several different perspectives depending on the person in question and his/her purposes. Therefore, we have to make the angle of observations in this particular study clear. More definitions will appear in the text once new concepts will be presented for the first time.

Consumer Behavior

Definitions for consumer behavior vary between different research contexts, and it is unnecessary for us to build accurate frames around the concept - if that is even possible at all. However, we may look at some definitions for consumer behavior used in literature. Wilkie (1994, 14) characterizes it as *"the mental, emotional, and physical activities that people engage in when selecting, purchasing, using, and disposing of products and services as to satisfy needs and desires"*. Solomon (1992, 4), as well as Loudon & Della Pitta (1993, 5) see consumer behavior in the first place as a process with different stages of conduct. Finally, the American Marketing Association describes the concept as *"the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives"* (Bennett 1989, 40).

Consumer Values

Values are *enduring beliefs that serve as guides for what is considered "appropriate" behavior and are widely accepted by the members of society* (Schiffman & Kanuk 1994,

668) - or in other words - *that a specific mode of conduct or end-state is personally or socially preferable to an opposite mode of conduct or end-state of existence* (Rokeach 1973, 5). Peter & Olson (1996, 720) define values as *the cognitive representations of important, abstract life goals that consumers are trying to achieve.* It has to be noted that the concepts of values and lifestyles (and psychographics) often overlap.

Product Image

Image is the set of beliefs, ideas and impressions that a person holds of an object (Kotler 1994, 599). In addition, it is wise to make a distinction between perceived and communicated image. *Perceived image* may be defined in this context as the image that *consumers* hold of a product, a car in this case. *Communicated image*, in turn, is the image that manufacturers and marketers push to consumers. There can exist remarkable differences between perceived and communicated images of many products.

Design

Design is a wide concept that can be interpreted also in other ways than just as the outlook of a product. It has become a fashion word for products that are considered as trendy, expensive or that has some particular style. Furthermore, design is not only a word for physical products but also a description for a whole process - not solely the end result of it. (Svengren 1995, 20) In this study, we touch both the physical and the process nature of design. By physical design, we mean the visible attributes of cars. That includes aesthetic, ergonomic, as well as functional elements. When talking about cars, it deserves to be noted that exterior and interior design are often handled as separate entities - even though they always go hand in hand.

1.4.2 Limitations

The purpose of the study is not to provide the reader with a holistic, absolute picture of consumer behavior - or one that is even close to it. With this qualitative research, we try to find the essential issues, especially within values, that could explain consumer preferences and the perception of car design in our target countries. Thus, we do not try to create a framework, that could be used as such in all the other contexts. Like Alasuutari (1995,

145) points out, the absence of generalization is not necessary a problem in a qualitative - or cultural - study.

Moreover, it is not in our interests or within the capacity limits of the study to seek a thorough explanation for complex relationships between consumer and product. The core idea is to find these critical elements having a decisive role in creation of consumers' perception of products in our target countries, especially what comes to car design. Let us quote Kahle & Chiagouris (1997, x):

> *"In a sense the utility of the broader concepts of values, lifestyles, and psychographics is at the core of the utility of the field of consumer behavior to the fields of advertising and marketing. Only to the extent that consumer behavior has something worthwhile to contribute to business activities such as marketing and advertising can its inclusion in business curriculum and business research be justified."*

In addition, we will not accomplish a deep analysis or systematic comparison of our target countries. Our aim is to move on a more general level and to identify the most relevant issues in consumer values in the selected countries, which makes this study solely qualitative in nature. A more profound analysis would require several and deeper studies.

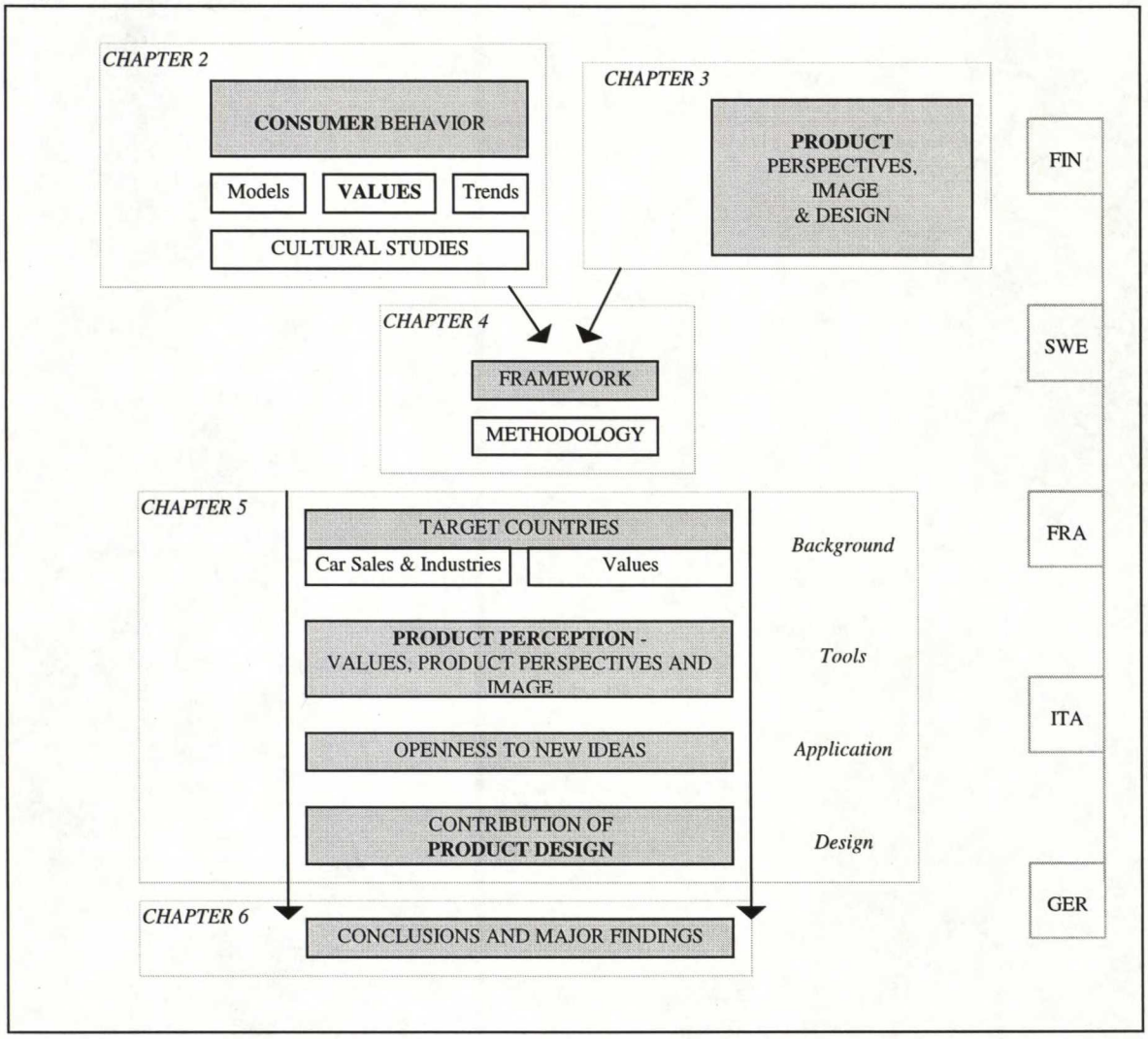
1.5 Structure of the Study

The remainder of this paper is divided into five sections. We will begin by building a theoretical framework for our purposes; by roughly screening the literature and previous research in the area of consumer behavior, and focusing then on values. After that, some cultural studies will be shortly presented. In chapter 3, we will discuss the other main part of our interest - the product - by introducing some concepts and ideas of product perspectives and image. Section 4 will present the general framework and issues related to the methodology used in the study.

Then we will proceed to the findings and discussion - the empirical part – that will begin by describing some general aspects concerning car sales and industries, and consumer

values in our target countries in order to offer some useful background information. After that, product perception (values, product perspectives and image) will be discussed. In other words, the chapter will provide the reader with some tools of tracking the relationships between consumer values and products. Then we will discuss the adoption of new products, which is a sort of an application of the preceding themes. Chapter 5 will end with discussion about the role of product design (especially car design) in the context of product perception. Finally in chapter 6, we will make some conclusions on the results of the study. All the time, we will try to bring our theoretical discussion into practice by using examples from the car industry as support material. The structure - or the main elements - of the study is presented in figure 1

Figure 1. The Elements of the Study



2. CONSUMER BEHAVIOR

Like Berg (1995, 224) states, the basic intention of a literature review is to give a comprehensive picture of previous works on the general and specific topics considered in the report. In scientific research, observations are always treated as clues in the sense that they are considered from an explicitly defined point of view, thus through a particular theoretical framework (Alasuutari 1995, 40).

We will first take a rough look on consumer behavior research and different models describing the behavior. This step may help us to outline the entity of this extremely broad concept. Then we will proceed to values that have a central role in this study. Chapter 2.3 will introduce some central studies of cultural differences and reflect them on values. Finally, some aspects of trends regarding behavior and lifestyle changes will be discussed.

2.1 Models of Consumer Behavior

2.1.1 Goals of Consumer Research

Consumer behavior theory like all theory is a simplified, abstract representation of reality. Like Howard (1989, 3) says, consumer behavior - like all human behavior - is a complex issue, and the more simplified picture of consumers provided by theory helps us enormously in understanding consumers. Solomon (1992, 16) sums up the goals of consumer research with two major points:

1. To *predict* future consumer behavior from what is already known about how consumers react
2. To *understand* the behavior for its own sake

The best possible knowledge of consumers and their behavior is naturally of utmost importance in marketing planning. Credible predictions of consumers' reactions to

products and marketing communication require solid understanding of variables having impact on consumer behavior.

2.1.2 Consumer Research and Different Disciplines

The research of consumers is spread across many disciplines, which is easy to understand. We can place research for example under the categories of psychological, sociological or socio-cultural theories (Robertson et al. 1984). They all use different approaches and have different motives for studying consumer. Solomon (1992, 13) provides a glimpse at some of the disciplines working in the field and characterizes them roughly in terms of their focus on micro versus macro consumer behavior. The emphasis ranges from individual consumer activities (micro issues) to aggregate activities (macro issues) in the following order; experimental psychology, clinical psychology, developmental psychology, home economics / human ecology, microeconomics, social psychology, sociology, macroeconomics, semiotics / literary criticism, demography and cultural anthropology. We need different types of knowledge and research approaches to understand behavior in the best possible way, and all these disciplines bring additional value, a different perspective, into behavior analysis.

2.1.3 Models to Outline Consumer Behavior

Different models aiming to outline consumer behavior are as many in number as are different researchers. Models vary from more simplistic (e.g. Heylen et al. 1995) to more complex ones with lots of variables and interconnections like those of Howard & Ostlund (1973), Engel et al. (1978), Andreasan (1965), or Howard & Sheth (1973). Furthermore, models are built from different perspectives and for different use. For instance, some authors consider behavior as a process (e.g. Samli 1995, 59), while others manage it as an aggregate. We take a rough look on some models that, first of all, help us to define the elements behind consumer behavior. It is not essential for this study to comment upon appropriateness of these models in some particular use or to seek "the best one" among them.

Table 1 presents some examples of categories in the study of consumer behavior by different authors. It gives a hint of the unlimited number of possible ways to outline behavior for research purposes.

Table 1. Examples of Different Outlines in the Study of Consumer Behavior

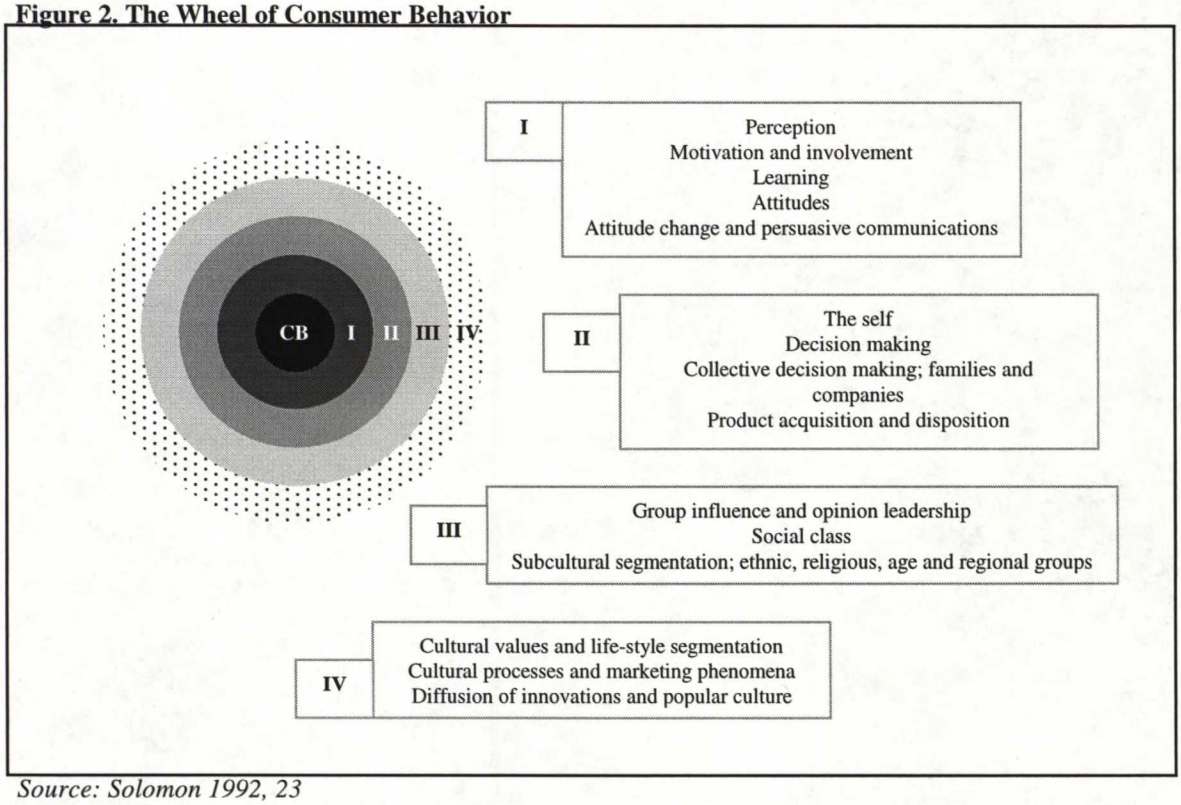
Peter & Olson	Chisnall	Loudon & Della Pitta
AFFECT & COGNITION • consumers' product knowledge & involvement • attention & comprehension • attitudes & intentions • consumer decision making **BEHAVIOR** • cognitive versus behavior approaches • classical and operant conditioning • vicarious learning • a sequential model of consumer behavior & a consumer behavior management model **ENVIRONMENT** • cultural and cross-cultural influences • subculture • reference groups	**PERSONAL ASPECTS** • cognitions, perceptions and learning processes • motivation • personality • attitudes **GROUP ASPECTS** • culture; life-styles, social values • social class • group influence	**ENVIRONMENTAL INFLUENCES** • culture • subcultures • social class • social groups • family • personal influence and diffusion of innovations **INDIVIDUAL DETERMINANTS** • personality and self-concept • motivation and involvement • information processing • learning and memory • attitudes • changing attitudes

Source: Adapted from Peter & Olson 1996, 31; Chisnall 1995; and Loudon & Della Pitta 1993

As we can see, there occur the same ingredients presented in slightly different ways in these three models. Peter & Olson (1996, 31) introduce a framework where the center element, marketing strategy, is surrounded by affect and cognition, behavior, and environment elements. Consumers' product knowledge and involvement, attention and comprehension, attitudes and intentions are all cognitive and affective particles of individual's frame of mind influencing his/her decision making. Behavior may be monitored through various psychological approaches which propose explanations and anticipations for different modes of conduct. An individual also interacts constantly with the environment that cannot therefore be ignored in consumer behavior analysis. Chisnall (1995), in turn, divides variables under personal (cognitions, perceptions, learning processes, motivation, personality, attitudes) and group aspects (culture, social class, group influence) of consumer behavior. A same kind of model is used by Loudon & Della Pitta (1993) who discuss behavioral variables under categories of environmental influences on consumer behavior and individual determinants of consumer behavior.

Moreover, Solomon (1992, 23) divides the variables affecting consumer behavior into four circles of a wheel presented in figure 2. Individual factors - may we say universal human characteristics like perception, motivation, learning and attitudes - are close to the center, surrounded by the self and behavior processes (decision making, product acquisition and disposition). Social factors (group influence, social class, subcultures) and cultural ingredients are situated on two outer circles. Unlike in those three previously presented categorizations, cultural variables - values and lifestyles, cultural processes, diffusion of innovations - are given an entirely separate category.

Figure 2. The Wheel of Consumer Behavior

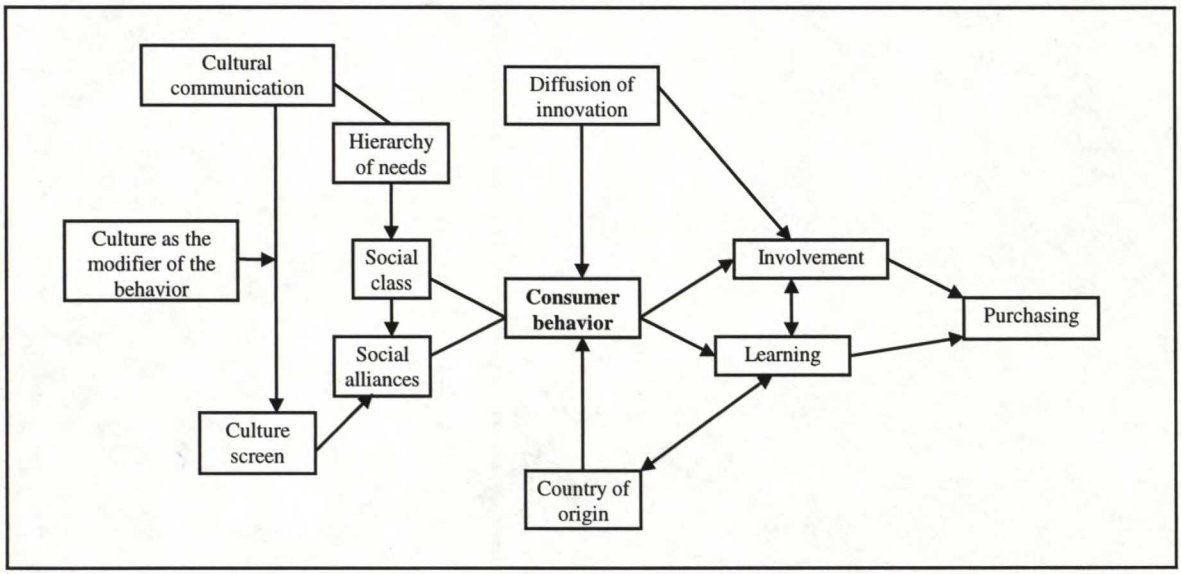


Source: Solomon 1992, 23

Cultural elements have the most important role also in a "General Theory of International Consumer Behavior" (a process approach) presented by Samli (1995, 6) that is shown in figure 3. There behavior modified by culture is viewed through a type of "culture screen" that together with social variables forms the base of behavior. Diffusion of innovation (e.g. spreading of new products) has a special meaning in an international context, like does the country of product's origin too. These background factors are reflected in behavior unfolding as processes of involvement, learning and purchasing. Samli emphasizes the international aspect of behavior, and his model includes a lot of

ingredients that will be relevant later in this paper. Culture and cultural differences as strong background factors are reflected constantly during the study. Diffusion of innovation, if translated as adoption of new ideas, products and design, is one of our secondary research themes. Furthermore, country of origin - whether of a consumer or of a product - is the issue that is very important in case of many products like cars.

Figure 3. A General Theory of International Consumer Behavior



Source: Samli 1995, 6

We will talk about the culture more in the section 2.3, but it may be appropriate to note already at this connection that culture plays understandably perhaps the most underlying role behind consumer behavior. At least what comes to the central themes of this study; differences of behavior, values and lifestyles in different countries, as well as the perception of products and design. It is common to find that dominant aspects of a culture tend to be reflected in the design and marketing of different products (Solomon 1992, 558).

At this point, it is not in the interests of this study to discuss the elements of consumer behavior more in detail. This presentation may have cleared the complex picture of behavior and suggested some ways to outline consumer behavior for research purposes. Next, we will proceed to values that are possibly the most central element in consumer research.

2.2 Consumer Values

Our next step is to discuss some relevant issues concerning consumer values. The primary focus is on finding appropriate methods to help us to define the most relevant elements within values in the empirical part of the study. Relationships between behavior, values and lifestyles are not easily explained. Values may be derived from behavior but they also influence and change it. The connections are complex and often confusing, as are their overlapping definitions too.

Value preferences have significance even if two cars from different manufacturers look very similar and have similar characteristics, because value settings behind the car brands are usually strong. For instance in a recent survey, Mercedes-Benz was unsurprisingly considered as a power brand with images of esteem, lift, aspiration and satisfaction, which may not be connected so strongly e.g. to Volkswagen (JY&A Media 1998). The images that certain car brands hold are often clearly corresponding to values that their drivers support.

In many cases, values are universal. However, every culture has a set of values of its own that it imparts to its members. The set of relative importance, or rankings, of values constitutes a culture's *value system* (Solomon 1992, 480). In this study, we aim to find differences in values between our target countries. The focus is however not only on general but also on individual values. One could argue that for instance means-end laddering is a concept to define merely individual values, but we do not see any obstacles for its use in general cultural context, either. The laddering, for instance, works as a tool to take the framework of instrumental/terminal values into practice. Vice versa, Schwartz's theory (Schwartz 1992) is built on a basis of general/universal values, but it is presumably applicable to the individual level as well. The big question is that can values be measured by mass surveys. These surveys have been the key support behind the most part of the value categorizations. How well do they work in the context of analyzing their relation to certain products like cars? After all, the differences between individuals and their values are notable, which makes universalizing difficult.

There often appears to be confusion over the concepts of *attitudes* and values. However, attitudes can be viewed as the individual's positive or negative evaluations of objects, situations, or behaviors, which predispose the individual to respond in some manner, whereas values deal with modes of conduct and end-states of existence (Loudon & Della Bitta 1993, 89). In the context of this study, it could be outlined that consumers' car choices and attitudes toward car design (as well as lifestyles) are modified by values differing in countries in respect.

2.2.1 Values and Lifestyles in Business Research

In addition to wide research for instance in the area of social psychology (see e.g. Puohiniemi 1995, 4), values and lifestyles have been commonly used as basic tools in marketing research. In general, their greatest use is experienced in the area of psychographics - in the use of psychological, sociological, and anthropological factors *to construct market segments*. Due to notable alternations in today's world, there appears to be a constant need for research. For example Shrum & McCarty (1997, 156) conclude their article by saying that the role of values in consumer behavior is still an area ripe for exploration and that the full potential of values research has not been yet tapped.

One of the most famous classifications is created by SRI Values And Lifestyles Programs (VALS I / VALS II). They are research services that track marketing-relevant shifts in the beliefs, values and lifestyles of psychographic segments (initially of the American population), motivated among others by Maslow's Need Theory. Consumer types are divided into several categories according to their values and lifestyles. The VALS II categorization, for example, include the following segments; actualizers, fullfilleds, believers, achievers, strivers, experiencers, makers and strugglers. (see e.g. Schiffman & Kanuk 1994, 83)

In addition to segmentation purposes, the research of values and lifestyles can prove to be very productive in various other contexts as well. For instance, although extremely complex and hard to define, the impact of values and lifestyles on design preferences is evident. In relation to that issue, Grunert-Beckmann & Askegaard (1997) describe the use of pictorial stimuli in values and lifestyle research and end up being rather positive about

the possibility of solving the stimulus quality problem within a given cultural context. This encourages us to seek explanations from consumers' values to obvious differences in German, French, Italian and Scandinavian car tastes.

Various theories of motivation and goal-directed behavior assert that people act to satisfy underlying needs that, in turn, are realistically represented by the values we hold (Wilkie 1994, 161). In other words, consumers are motivated to engage in behaviors designed to enhance the achievement of certain values and to avoid those behaviors perceived to hinder the attainment of certain value states (Loudon & Della Bitta 1993, 89). This emphasizes the importance of values element in consumer research. Rokeach (1973, ix) states:

> *"The concept of values, more than any other, is the core concept across all the social sciences. It is the main dependent variable in the study of culture, society, and personality, and it is the main independent variable in the study of attitudes and behavior."*

2.2.2 Instrumental and Terminal Values

There are many ways to classify values, and different classifications have been used also in consumer research and marketing. One widely used scheme, originally developed by Milton J. Rokeach, identifies two levels of values - *instrumental and terminal* - that can be seen in table 2 (Peter & Olson 1996, 93).

Instrumental and Terminal values represent the broadest and most personal consequences that people are trying to achieve in their lives. They may also be called as core (terminal) values and secondary (instrumental) values (Niininen 1994, 17). Instrumental values of competence, compassion, sociality and integrity can be defined as preferred modes of conduct or ways of behaving (having a good time, acting independent, showing self-reliance etc.). Terminal values of social harmony, personal gratification, self-actualization, security, love and affection, and personal contentedness, in turn, are preferred states of being or broad psychological states (happy, at peace, successful etc.). (Peter & Olson 1996, 93) In order to reach the preferred end state formed by terminal values, individuals

act according to their instrumental values. They are means enabling the achievement of terminal values.

Table 2. Instrumental and Terminal Values

INSTRUMENTAL VALUES (Preferred Modes of Behavior)	TERMINAL VALUES (Preferred End States of Being)
COMPETENCE • Ambitious (hardworking) • Independent (self-reliant) • Imaginative (creative) • Capable (competent) • Logical (rational) • Courageous COMPASSION • Forgiving (pardon others) • Helpful (work for others) • Cheerful (joyful) • Loving (affectionate) SOCIALITY • Polite (courteous) • Obedient (dutiful) • Clean (neat, tidy) INTEGRITY • Responsible (reliable) • Honest (sincere) • Self-controlled	SOCIAL HARMONY • World at piece • Equality (brotherhood) • Freedom (independence) • National security • Salvation (eternal life) PERSONAL GRATIFICATION • Social recognition • Comfortable life • Pleasure (enjoyable life) • Sense of accomplishment SELF-ACTUALIZATION • Beauty (nature and arts) • Wisdom (understanding) • Inner harmony (no conflict) • Self-respect (self-esteem) • Sense of accomplishment SECURITY • Taking care of family • Salvation (eternal life) LOVE AND AFFECTION • Mature love (sexual and spiritual intimacy) • True friendship (close companionship) PERSONAL CONTENTEDNESS • Happiness (contentment)

Source: Peter & Olson 1996, 93

Terminal values, together with beliefs and norms, create the individual's perception of the world and they can thus be interpreted through people's perceptions of cars (Niininen 1994, 16-17). To demonstrate how values influence behavior – thus, how certain car models may be related to certain core values -, Niininen draws some examples collected in table 3.

These mental images probably vary depending on the individual's own values and perception of different car models. We could also argue that particular models are positioned in a different way in different countries. For example, Japanese and Italian cars may reflect different values for Finnish consumers than for their Italian counterparts.

Table 3. Examples of Car Models and Terminal Values

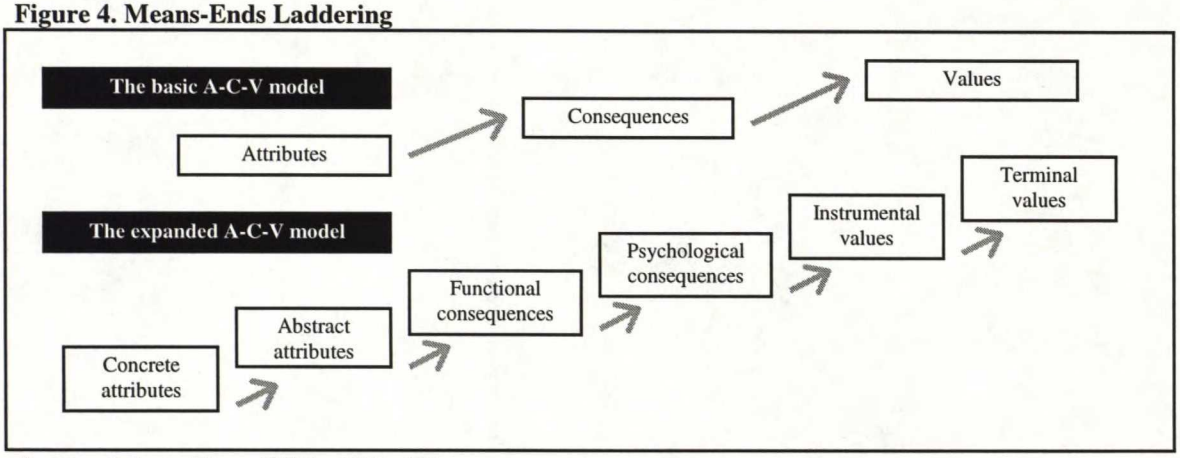
Model	Terminal value	Description
Volvo 760 Station Wagon	family safety (concern of closest ones)	Swedish durable goods, particularly Volvo, are well known for their safety and reliability. The Volvo Station Wagon is a multipurpose, roomy car which keeps the family together and fulfills everyone's daily needs well.
Citroën CV2	world peace (no wars or conflicts)	CV2 do not prevent wars, but the owners of them probably could. Car represents humanity, both its strengths and weaknesses in a very sympathetic way. You accept yours and others faults.
Citroën DS 23	beautiful world (beauty of nature and art)	By its beautiful smooth lines, and the way it was presented at its debut, the car won itself the name désse, the goddess, right from the beginning. The technological progression and the concept of mythical beauty it represented even received recognition from famous philosophers.
Cadillac Brougham	comfort (well-off life)	Cadillacs clearly signal the wealth of the owner. They are impressive, luxurious cars with lots of space, and with the soft, all-absorbing suspension, give the feeling that you are still sitting on your living room sofa. With money you can buy comfort, at least material comfort, and enjoy it.
Mercedes-Benz 300E	recognition (respect, admirability)	Mercedes-Benzs are undoubtedly the idols in the automotive world. The tri-stars are very well designed and precisely produced, and represent how institutions should exist in society: based on law and rational order. Understanding this must put you in a respectable, leading position.
Opel Omega Caravan	self respect (self-esteem)	Typical of Opel-buyers, in Germany at least, is consideration of the best price/value relations. Opels are reliable cars for a reasonable price. Making rational, well-justified decisions gives a feeling of control, and reinforces the clear, positive self-image.
Ford Escort RS2000	pleasure (satisfying, easy-going life)	Ford is the producer for Mr. Average. They are well-made, reliable cars, that do not carry risks such as ego loss, and thus are very good choices. The Escorts are reasonably priced, and the RS2000 will give just enough kick, to enable you to enjoy yourself and the car.
Mazda Miyata/MX 5	freedom (independence, freedom of choice)	The Miyata is a driver's car: it handles extremely well and performs well enough because it is light. It simply gives you speed and freedom, with a feel of control that only the Miyata driver can experience
Alfa Romeo Spider	excitement (inspiring, active life)	Although the Spider is not a Ferrari, it is still a red, sporty, Italian convertible with the southern temperament. It is also designed by Pininfarina. Driving around with the rag top down should attract enough attention from others. And what could be more exciting than speed and the admiration of others?

Source: Niininen (1994,19)

2.2.3 Means-Ends Laddering

Another different perspective to analyze values appears in a view of consumer behavior as being a *means to an end* (Wilkie 1994, 161) that is a concept closely related to the idea of terminal and instrumental values. It actually presents a method of taking values into a practice. According to this model, consumers act (means) in order to achieve the benefits (ends) they are seeking, and for example products can be thought as packs of benefits. The means-end concept has been built further into a useful marketing approach, called *laddering* that attempts to trace the linkages between a consumer's values and product attributes. These linkages - called a *means-end chain* - are shown in figure 4.

Figure 4. Means-Ends Laddering



Source: Adapted from Wilkie 1994, 162

The basic A-C-V model contains three steps; product offers *attributes* to consumers, consumers experience *consequences* when they consume the attributes, and these consequences help consumers attain particular *values*. The basic model can be expanded to distinctions between concrete and abstract attributes, functional and psychological (or social) consequences, as well as instrumental and terminal values.

When confronted with a choice among sufficiently different alternatives, the choice that is most consistent with an individual's values would seem logical, say Shrum & McCarty (1997, 145). They give an example of an automobile purchase: One must typically decide among a number of category choices (sports car vs. sedan, luxury vs. economy) which differ on corresponding attributes (practical vs. whimsical, expensive vs. inexpensive). These category choices and attribute preferences may logically be driven by value priorities (excitement, fun and enjoyment, social recognition, respect, financial security, family responsibility).

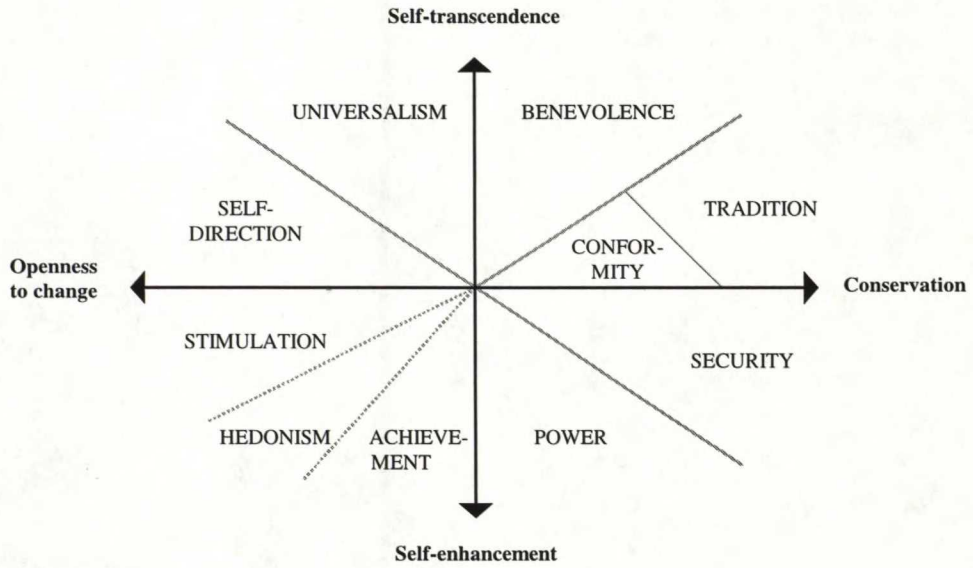
2.2.4 Schwartz's Theory

The idea of instrumental and terminal values was primarily developed from the perspective of an individual person. This makes the comparisons of value bases between different cultures difficult, and therefore there appeared to be need for a theory of the universal content and structure of values. Schwartz and Bilsky were the first persons to develop a theory which was based on the structural properties of values in the field of

cross-cultural comparisons (Puohiniemi 1995, 13). As a result of research in several cultures, Schwartz's theory (Schwartz 1992) that is presented in figure 5 was developed, in which values are goals and motivations representing the interests of some person or group. For this reason, values were divided in two categories - serving whether *individual interests* (self-direction, stimulation, hedonism, achievement, power) or *collective interests* (conformity, tradition, benevolence).

Figure 5. Schwartz's Value Theory

VALUE TYPE	*MOTIVATIONAL CONTENT*
SELF-DIRECTION	Independence of thought and action - choosing own goal, creating, exploring.
STIMULATION	Excitement, novelty and challenge in life.
HEDONISM	Pleasure or sensuous gratification for oneself.
ACHIEVEMENT	Personal success through demonstrating competence according to prevailing cultural standards
POWER	Social status and prestige, control or dominance over people and resources.
SECURITY	Safety, harmony and stability of society, of relationships, and of self.
CONFORMITY	Restraint of actions, inclinations and impulses likely to upset or harm others, or violate social expectations or norms
TRADITION	Respect, commitment and acceptance of the customs and ideas that one's culture or religion impose on the individual
BENEVOLENCE	Preservation and enhancement of the welfare of people with whom one is in frequent personal contact.
UNIVERSALISM	Understanding, appreciation, tolerance and protection for the welfare of all people and for nature.



Source: Adapted from Schwartz (1992)

Schwartz analyzed twenty cultures, and as a summary of the conflicts found in this cross-cultural comparison, he set out the two bipolar dimensions of the value structure found in all samples:

1) Openness to change (stimulation, self-direction) versus conservation (security, conformity, tradition).
2) Self-enhancement (power, achievement) versus self-transcendence (universalism, benevolence).

Hedonism shares elements of both openness to change and self-enhancement (therefore the dashed line). This is because hedonism values on the one hand express some degree of the motivation for arousal and challenge (→ openness to change), but at the same time their focus is on the self (→ self-enhancement). Moreover, tradition and conformity are situated in the same fragment, because they share the same motivational goal.

The problem involved in Schwartz's model – actually, the problem of every generalizing model – appears if it is used to categorize people according to value types they represent. Like Sihvola (1998, 24) notes, value types that people have adopted are contradictory. There cannot be found any general value principle that would determine the order of values in every situation. Thus, consumers act according to different values (or value types) in different situations.

2.2.5 Lifestyles

Even though our primary interest is not in the lifestyles, we will take a short look at them, because they are closely connected to values. The concept of lifestyles is wide and loose and can therefore be understood in various different ways. Lifestyles refer to overall patterns of living and are guided strongly by values. Furthermore, consumer behavior reflects lifestyles, which is one of the strongest reasons for marketers' and consumer behavior professionals' concentration on the lifestyle dimension (Wilkie 1994, 344). Researchers have developed different lifestyle classifications, usually based on psychographic measurements.

The definition of lifestyle as the person's pattern of living in the world as expressed in his/her activities, interests and opinions (Kotler 1994, 182) is the base for one of the most popular lifestyle classifications - the AIO framework (Plummer 1974, 34). In this approach, respondents are presented with long questionnaires seeking to measure their *activities* (e.g. work, hobbies and social events), *interests* (e.g. family, home, job and recreation) and *opinions* (e.g. social issues, environment and products). Demographic issues cannot be neglected either, but they are usually given a smaller attention in lifestyle research, while their changes are often rather easy to anticipate. The major dimensions of the AIO framework are presented in table 4.

Table 4. The AIO Framework

ACTIVITIES	INTERESTS	OPINIONS	DEMOGRAPHICS
Work	Family	Themselves	Age
Hobbies	Home	Social issues	Education
Social events	Job	Politics	Income
Vacation	Community	Business	Occupation
Entertainment	Recreation	Economics	Family size
Clubs	Fashion	Education	Dwelling
Community	Food	Products	Geography
Shopping	Media	Future	City size
Sports	Achievements	Culture	Stage in cycle

Source: Plummer 1974, 34

There exist lots of statistical studies also of our target countries concerning consumer lifestyles. In those, lifestyles are categorized according to variables like demographics, religious and political beliefs, education and work, use of leisure time, consumer earnings and expenditure, eating and shopping habits, transport, communication and so forth. (see e.g. Esomar 1991 and Esomar 1995) However, our purpose is not to study these factors more in detail.

In his book, Cathelat (1993) describes the *socio-styles* system, which is an innovative and dynamic method for studying the lifestyles of individuals and society. Even though the method is developed mainly for quantitative research purposes and large databanks, we can find some useful points from the typology for our study as well. However, it is not essential for us to go deeply into the method because, like Cathelat (1993, 17) defines, the socio-styles concept is intended to be complete and complex in order to reflect a complex reality. At this stage, we content to shortly list the four general concepts of the socio-styles

systems (Cathelat 1993, 25); *Socio-structure* (a structured sociological landscape based upon the main traits of different mentalities), *socio-waves and cultural flows* (developing trends in the values and ideas which dominate public opinion), *real-life socio-styles* (a gallery of portraits illustrating the typological diversity of the population), *sectoral socio-targets* (market segments showing how socio-styles are grouped by subject in a particular sector).

Like with values, it should be remembered that consumers usually have a wide variety of different lifestyles for different situations, they are rarely "logical" in that sense. For instance, one's work and leisure activities can be very different in nature. Moreover, people see lifestyles in different ways: "Consumers' cognitive representations of different lifestyles vary in both content and structure as a function of their valuation of these lifestyles" (Englis & Solomon 1997, 42).

It is advisable to remark that in this study we describe more general, or common, features of lifestyles in our target countries. However, we also have to keep in mind the growing individualization of consumer lifestyles that appears to be a quite visible trend in today's world (Esomar 1991). This is due to factors both on individual and general level, like human needs for a separate, distinctive identity and cultural values for self reliance and individual responsibility (Branthwaite 1991, 1).

2.3 Cultural Studies

Culture, again, is a broad concept defined in various different ways. Considering the emphasis of this study, it may not be necessary to search the best alternative possible among existing definitions. Instead, we can well accept the one used by Solomon (1992, 583): "the values, ethics, rituals, traditions, material objects, and services produced or valued by the members of society." The term of cultural studies, in turn, referred initially to the tradition started in Britain in the late 1950's (Alasuutari 1995, 23). Next, the role of culture in consumer behavior will be shortly discussed. In addition, we will take a look on some widely used cultural classifications.

2.3.1 Culture in Consumer Behavior

> *"Research on culture and the complex patterning of consumer behavior and its diverse influences offers a highly promising avenue for continued investigation. Above all, it can provide important insights into the workings of key forces underlying the changing dynamics of consumer behavior."* (Douglas & Craig 1997, 393)

Culture has a central role in several models of consumer behavior. One good example of that is Wallace's Theory from 1964 (Samli 1995, 13) where consumer behavior is associated directly with culture. The basic belief of the theory is that culture is the all-encompassing force which forms personality that is, in turn, the key determinant of consumer behavior. Like Samli appends, culture in essence is the critical factor which not only determines consumer behavior but also explains it. Also Heylen et al. (1995, 53) emphasize the importance of culture on behavior. In their model, all behavior - and its affective and cognitive expressions - is modified and adapted according to the cultural and socio-normative requirements of society, although the core of behavior departs from its bio-energetic source.

What comes to culture in this study, we are primarily interested in its aspects having influence on consumer behavior, especially on values, in our target countries. It could be assumed that characteristics in German, French, Italian and Scandinavian car tastes can to some extent be explained by cultural factors.

2.3.2 Cultural Values and Lifestyles

Values are culturally determined, which means that they are learned from social interaction; with family members, friends etc. Cultural values are important to the organized and integrated nature of culture (Loudon & Della Bitta 1993, 88), and differences in cultural values can be a key factor in understanding cross-cultural consumer behavior (Wilkie 1994, 316). In addition to cultural values, Wilkie summarizes some other major lifestyle and belief bases that underpin differences in consumer behavior across cultures; cultural conventions, climate and geography, physiological differences,

need and use environment, perceptions of product need, past product experience, product use customs and existing product preferences.

2.3.3 Classifications of Cultures

Even though this study could also be categorized under a heading of cultural studies, our intention is not to make deep-going comparisons between cultures in our countries. However, it is good to take a narrow look on three famous attempts to identify and classify cultures, summarized in table 5.

Table 5. Major Approaches to Studying Cultures

Key investigator	Classification	Premises	Implications
Riesman	inner directed, other directed, tradition directed	there are different cultural groups with different orientations	consumers will behave conservatively in tradition oriented, more individualistic in inner directed, and be influenced by social factors in other directed cultures
Hall	high context, low context	high context societies emphasize human interaction, unwritten and casual communication, and integration; low context societies just the opposite	consumers are more influenced by others in high context societies and by mass media in low context ones
Hofstede	classifications on individualism, collectivism, uncertainty avoidance, power distance, and masculinity/femininity	behaviors differ significantly on the basis of any and all four of these dimensions	consumers, if avoiding uncertainty, considering power distances, and paying attention to gender will influence substantially different marketing practices than their counterparts in different cultures

Source: Adapted from Samli 1995, 11

The classification of Riesman is based on the assumption that cultural groups differ by orientations and can thus be identified as inner, other or tradition directed cultures. Hall divides cultures into high context and low context ones according to their level of emphasis on human interaction, unwritten and casual communication, and integration. Hofstede's famous classifications on individualism, uncertainty avoidance, power distance and masculinity are supported by studies in different cultures, to which we will refer later in this study. All these theories can prove to be highly interesting when assessing and defining behavior of consumers in certain cultures or countries.

Samli (1995) monitors the classifications of Riesman, Hall and Hofstede as they relate to consumer behavior through five factors; information, values, consumption patterns, purchase behavior and affinity to new ideas, products and services. We now take a quick look on the elements of *values* and *affinity to new ideas, products and services*, while these are relevant to our study purposes and to consumers' design preferences. These elements are collected in table 6.

Table 6. Relation of Cultural Classifications to Values and Affinity to New Ideas

	Classification	Values	Affinity to new ideas
Riesman	***Inner directed***	Cognitive values are predominant	New ideas are all perceived by cognitive influences from own efforts. Open to new ideas if they make sense from the perspective of individual logic
	Other directed	Cognitive values are predominant	New ideas are all perceived by cognitive influences from others. Open to new ideas if they are accepted by others
	Tradition directed	Affective values are predominant	New ideas perceived if they penetrate affective influences. Open to new ideas if they are consistent with traditions
Hall	***High context countries***	Affective values are at least equally important	New ideas come from outsiders, particularly opinion leaders
	Low context countries	Cognitive values are more dominant	New ideas are part of cognitive influences perceived from print media and written literature
Hofstede	***Individualism Collectivism***	Values related to individual or the group is prevalent depending upon the two ends of the spectrum	Individualistic societies ideas are gained by individual search. In collectivistic societies ideas come from the group
	Power distance	Enhancing power versus disseminating power are to be used equally	New ideas may be used to enhance power gaps or may be used to eliminate power gaps
	Uncertainty avoidance	For the societies where uncertainty avoidance is important values are to be reinforced	In risk diversion societies affinity to new ideas are in the areas of risk reduction
	Gender	Societies with more male or female leanings are to be treated accordingly	In masculine societies more reliance on self sought ideas. In feminine societies more reliance on interactive influences

Source: Adapted from Samli 1995, 40-48

The emphasis of *cognitive* (i.e. instructional) versus *affective* (i.e. emotive) *values* differs among inner, other, and tradition directed cultures, as well as among high context and low context countries. In Hofstede's classifications, the analysis of values involves more complex interpretations.

Affinity to new ideas is closely linked to diffusion of innovations that is widely used concept in consumer research. It refers to the manner in which new ideas, products, or practices spread through a culture. In the above classifications different cultures perceive new ideas in different ways, so the diffusion of innovations varies as well; from slow to fast, from narrow to wide, and so on. This also applies to car design, especially to new design attributes that are received in different ways in different cultures. For example, in tradition directed cultures new design goes through if its message reflects traditions and has a strong influence on affective, emotions-based values. In inner directed societies the penetration is easier if it is well justified, i.e. makes sense from the perspective of individual logic.

2.4 Trends

Various trends affect consumer behavior, and behavior creates new trends. In this chapter, we look some examples that are relevant for our purposes.

2.4.1 Cultural Trends

Changes in the consumer environment sometimes occur suddenly, but more often they tend to move slowly into the lives of more and more people until they are recognized as arrived, creating trends. Like Wilkie (1994, 326) states, cultural trends are broad and sweeping: No one of us can possibly be exposed enough in our personal life to discern each trend as it is developing.

Cathelat (1994, 44) discusses the concept of socio-waves and their socio-cultural flows. The concept defines the system of values expressed in trends of ideas, images and stereotypes which incorporate the collective dynamism of the socio-culture in unstable equilibrium at a given moment. Socio-waves are the language of society by which the objects, their images and functions, the roles of institutions, personal relationships and status, fashion codes and norms are defined and valued. We do not need to go deeper into this concept that is designed merely for quantitative research purposes. Instead, we are

satisfied with ascertaining that the link between the value system of culture and the collective trends (identified also in consumer preferences related to car design) is evident.

2.4.2 Trend Cycles and Product Life Cycles

> *"Collective selection (= the process by which certain symbolic alternatives are chosen over others) allows consumers to cope with the rapid pace of change in modern society. By abandoning old styles for new ones, the consumer is able to keep up with changes in his or her culture. When seen in this light, shopping is a future-oriented, adaptive activity: We try to anticipate changes in our lives by keeping up with the latest developments in merchandise."* (Solomon 1992, 561)

Thus, trend cycles are often relatively congruent with product life cycles, or vice versa, which is very understandable. Products are aimed to correspond to certain customer needs modified among others by prevailing trends in lifestyles. But often happens that a product or a brand creates a trend, which is to be seen for example in the recent increase in the demand of mobile phones. An example from the automotive industry is the rising popularity of new concepts of innovative design - like Ford KA, Mercedes A, MCC Smart, Renault Mégane Scénic and Fiat Multipla - questioning the traditional forms and monospace shapes of the current passenger cars. One could argue that there has really been a specific demand for this kind of design, but the trend would have probably never became this strong without manufacturers' inputs on marketing. The difference between old and new design, or additional value brought by the innovation, is based more on symbolic than tangible arguments.

Most of the trends in car design seem to sooner or later cover the whole industry. If one manufacturer introduces a new innovative model that gains popularity, it can very soon expect quite similar models from competitors. For instance, Toyota's new hybrid vehicle Prius will be accompanied by Nissan, GM, Ford and other producers in the forthcoming years (Newsedge 16.7.1998, URL:<http://www.newspage.com>). If considering question of the future fuel, the fuel cell technology as the power source for electric vehicles has moved on the fast lane (Newsedge 23.9.1998). In overall, it is interesting to note that the development of new innovative design is more or less a joint task of different manufacturers. Similar looking models are introduced in a relatively short time span, even

though the development of a new car can take several years from every manufacturer (development times have however dropped radically during the recent years).

2.4.3 Megatrends

Even though we are primarily focusing on given countries and their trends, the universal - global and European - changes cannot be ignored, because they greatly affect values and lifestyles in every country and form an essential element in characterizing the present. These changes may be called as *megatrends* due to their wide influence on people's life. One of the most famous names in the area of future forecasting by megatrends has been John Naisbitt, whose megatrends 2000 included for instance the rise of universal lifestyles and cultural nationalism as well as the triumph of individualism (Naisbitt & Aburdene, 1990).

Europe is going through major changes due, for example, to tightening integration that may flatten cultural differences but also deepen them, depending on the viewpoint from which we look at changes. The mental state and future of Europe is a widely discussed topic in these fluctuating times (see e.g. Niiniluoto & Löppönen 1996, 17). Furthermore, Wahlström (1992) presents some interesting examples of transitions e.g. in lifestyles (home, work, family, social contacts, health...) and in demographics of the European consumer. He also discusses the status and characteristics of cars and transportation systems, as well as the psychology of car ownership. Among others, rising trends towards more environmental friendly vehicles, road navigation systems and individualistic features in cars are visible today when monitoring news from the automotive industry in general. Besides these issues, also safety awareness is dominating technological development (Euromonitor 1996, 30). These all are, more or less, consequences of changes in values and lifestyles of consumers.

Perhaps the most evident megatrend – at least in the western societies – is the growing importance of information technology, and technological development as a whole. We have experienced a clear shift into information society, which affects our every day life in various different ways. It is rather difficult to predict what the future will be like, because there are too many changing factors affecting the future direction. For example

Mannermaa (1998) and Linturi et al. (1998) discuss a wide range of different issues concerning information society and future.

3. PRODUCT AND PRODUCT IMAGE

In this part we will discuss themes related to product and product image. First we take a narrow look into different variables affecting car choice according to some past studies. After that, we present different perspectives from which products can be observed. Chapter 3.3 then raises some relevant issues concerning product image.

3.1 Variables Affecting Car Choice

First, we take a short look on two studies just to show how variables affecting car sales, or a separate choice, can be outlined.

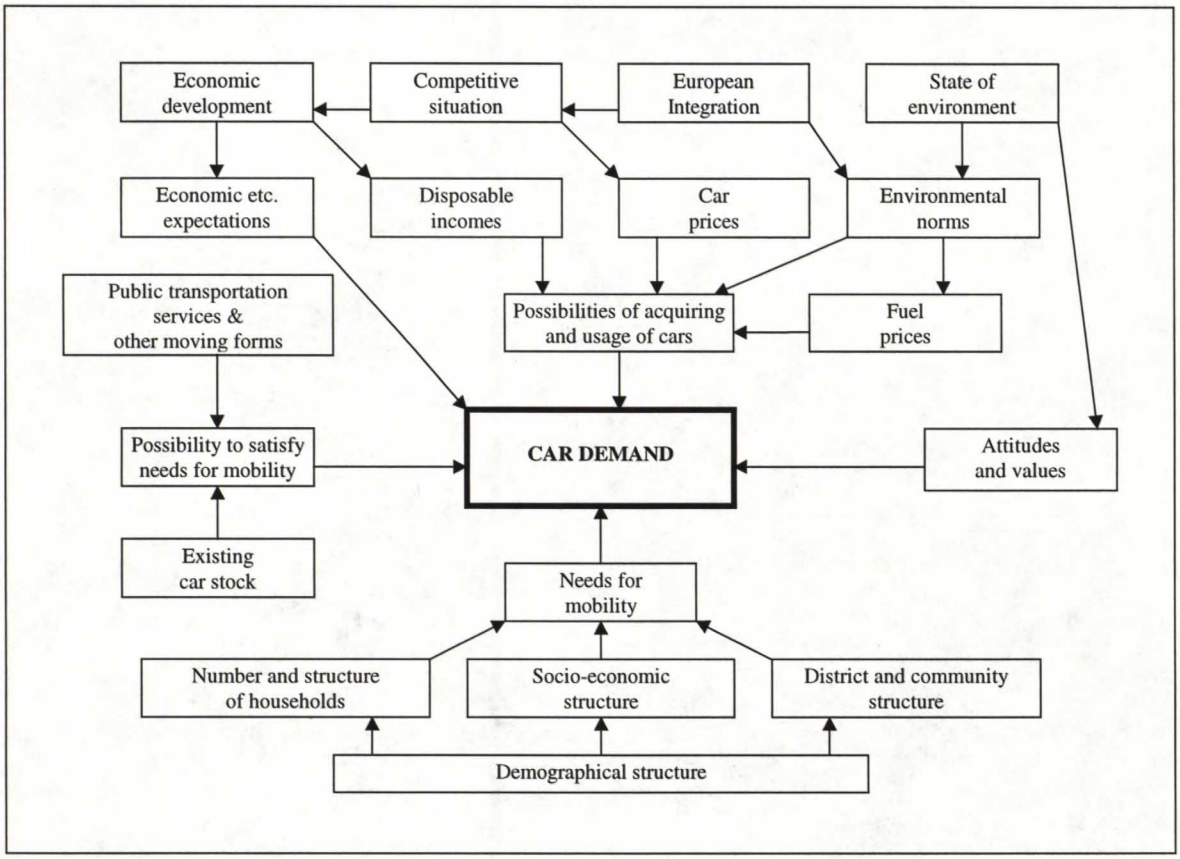
3.1.1 External Factors and Product Attributes

The variables affecting car sales or the individual's car choice are various, and it is not easy to describe how they relate to each others. Figure 6 from a LTT study (LTT 1992, 13) illustrates the connections of some factors to the demand of cars in Finland. We believe that same kind of variables could be identified in other countries as well, but a profound understanding of all the factors affecting car sales is not in our interests.

In the presentation of figure 6, macroeconomic, macrosocietal and demographical issues are given the prior emphasis. It is evident that car sales are dependent on the overall economic development, which was seen for instance during the recent recession (LTT 1997). We in turn try to understand more the behavioral side of consumers; values, lifestyles and cultural issues, instead of discussing the factors affecting total car demand. In figure 6, impacts of attitudes and values are given very little stress. Besides, they are presented only in connection to state of environment. Despite the fact that the purpose of this presentation is probably to offer an overview of different variables affecting car demand, the model still remains somewhat defective. The connections are drawn on a very superficial and simple basis. Can we for instance directly track down a relation chain starting from European integration that has influence on environmental norms that, again,

affects consumers' possibilities of acquiring cars? Perhaps we can, but the linkages are surely not that simple. However, the figure offers a wide range of relevant and undoubtedly important factors. The global change of competitive situation for example is shaping the automobile markets in our target countries too.

Figure 6. Factors Affecting Passenger Car Demand in Finland



Source: Translated from LTT 1992, 12

In addition to these kinds of 'external' factors (at macro level), the attributes of car itself have - of course - a great influence on car choice, when we look it at the level of an individual's decision. Aer (1996, 45) has researched car choices of Finnish consumers and shows the importance of different product attributes - *driving performance, reliability, price, safety, fuel economy, interior space, resale value, design, warrant, brand, origin, paying terms, esteem* - for car choice, in this particular ranking order. We may argue that for example driving performance and reliability are qualities that are required in all cars and do not thus affect so much the final choice. Of course when asking about the most important attributes, they are named, because they simply are essential. Issues of image

and design presumably have a greater impact on the final choice than admitted - at least subconsciously.

At this stage, we do not find it appropriate to go into a deeper analysis of these kinds of variables affecting car choice. Even though the above presentations are related to our aims – to model the perception of cars – our perspective is slightly different from these very pragmatic outlines.

3.2 Different Product Perspectives

The objective of this chapter is to present different perspectives from which products can be monitored. In other words, we examine various ways to identify the connection between the user (and his/her motives) and the product and thus seek answers to a question: How products may be perceived?

3.2.1 Categorization

Hakkio (1994) has researched product perceptions and formed four categories of different product perspectives:

1) perspectives emphasizing sensorial and utilitarian product
2) perspectives emphasizing personification
3) perspectives emphasizing symbolism
4) perspectives where emphasis is on linkage between abstraction levels of product.

In the first category, product is characterized as a physical object added with benefit thinking, lacking the link to more abstract, symbolic elements. The second group, in turn, is build on a basic thought that product may have a personality of its own or that product can be associated with user's personality or self-concept. Perspectives emphasizing symbolism suggest that product becomes meaningful only when symbolic associations are formed. Therefore, products are seen as objects of society and culture, acquiring their

meanings through social and cultural institutions and communication. Finally, the fourth category attaches significance to causality between physical product elements and mental associations. In other words, physical product elements are important only if they deliver benefits and personally relevant, deeper meanings.

3.2.2 Examples

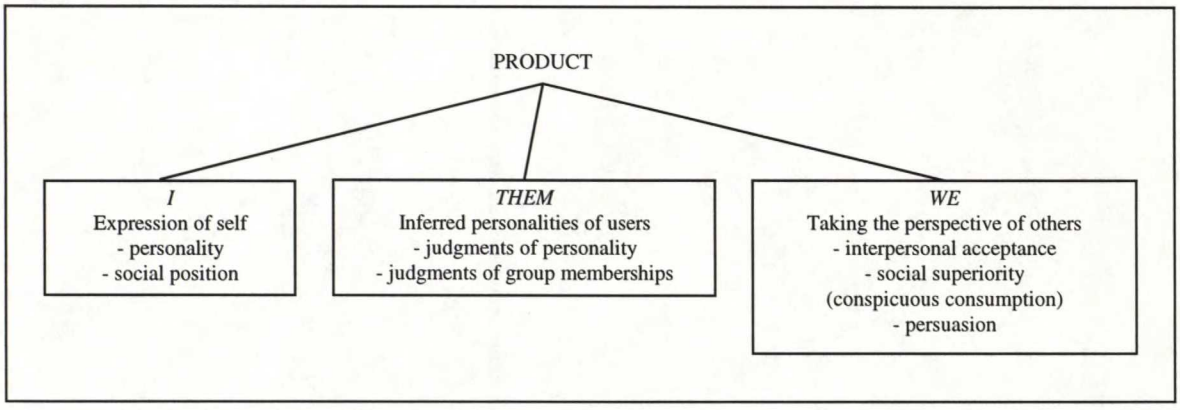
The same author also gives examples of product perspectives out of each category; *layered product, personified product, semiotic sign, and means-end theoretical product* (Hakkio 1994, 23-33). We take now a brief look into these perspectives.

In marketing and business literature the product is often viewed as a layered object consisting of several levels. For instance Kotler (1994, 432) names five different layers; core benefit, generic product, expected product, augmented product, and potential product. The *core benefit* is the most fundamental level, the service or benefit that the customer is really buying. In the case of a car, the driver wants to move from one place to another. *Generic product* is a basic version of a product, a car basically with a body, wheels and an engine. The third level, *expected product*, is a set of attributes and conditions that buyers normally expect and agree to. In cars they may include convenient seats, normal control devices, a locker in a front panel etc. Then, an *augmented product* includes additional services and benefits distinguishing company's product from those of competitors. Some cars for example have side air bags, others electrically adjustable mirrors, and so on. At the fifth level stands the *potential product* consisting of augmentations and transformations that the product might undergo in the future. For example, manufacturer suggests new uses for augmented product or provides new technologies to be used with it. In the case of a car, those could include e.g. new solutions of communication systems to be added on the existing product. As we note, this perspective is really stressing an utilitarian product and may not offer us so much help in our search of the relation between product (car) and values (consumer).

If thinking about the perspective of car, concept of a personified product may take a step closer to "the truth". Personified product mainly stems out of the needs of marketing to differentiate company's products from others for instance by means of advertising and

design. When product is connected with user's personality, its use is thought as communication or symbolic consumption. So, product concept is designed to be a symbolic one corresponding to symbolic needs of a consumer. Personification as connection between product and users is illustrated in figure 7.

Figure 7. Personification As Connection Between Product And Users



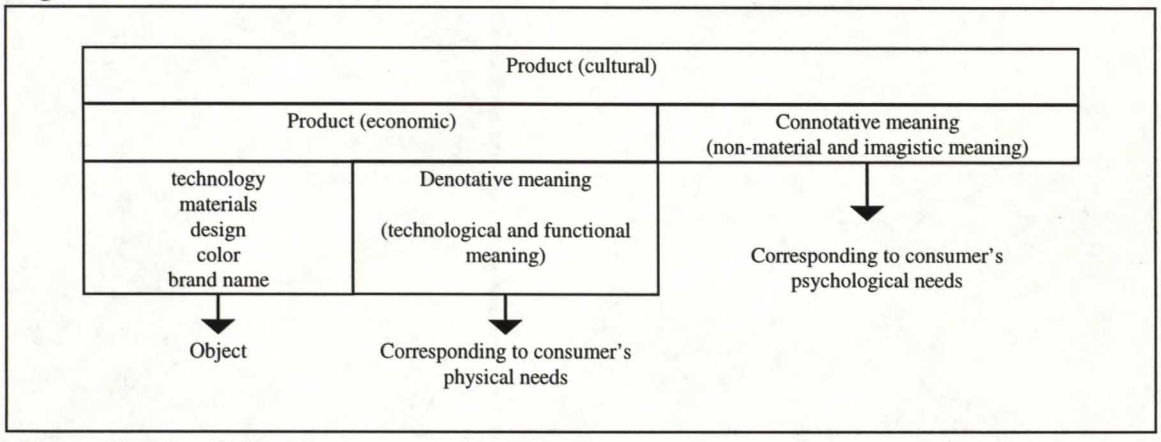
Source: Rebecca Holman in Haikkio (1994, 27)

First of all, people choose products which in their opinion express their own personality or social position ("I" in figure 7). A lively person may buy a car with bright colors, a managing director prefers a fancy black Mercedes, and so forth. Another perspective to look a personified product is to study how people infer personalities of others from products ("Them"). We form a certain image of a person in our mind, if we see him/her driving Ford KA, Toyota Corolla, or Volvo V70. A third way to personify products is to look them from the perspective of others ("We"). People namely perceive products according to what they believe others would think of them as users of those products. They either strive for social acceptance, want to express social superiority, or see products as aims to change other's behavior. Personified product, as a summary, seems to push the physical product elements into the background.

Symbolic associations related to objects in general is the main subject in semiotics. Product is a sign including two components - signifier and signified - that are connected together by codes between them. Signifier (or expression) refers to the physical part of the product, or in other words, expresses the sign. Signified, in turn, refers to the mental thought that the signifier of the sign raises. Semiotic sign is a kind of relation between signifier and signified, often referred to as a code that is produced by cultural rules. Thus,

product gets its meaning from culture. Moreover, product as a sign can be deepened into more abstract layers of meanings consisting of physical and symbolic elements. Symbolic elements can be further separated into denotative and connotative meanings. This idea is presented in figure 8 by Hoshino (1987, 46).

Figure 8. Product's Semiotic Structure

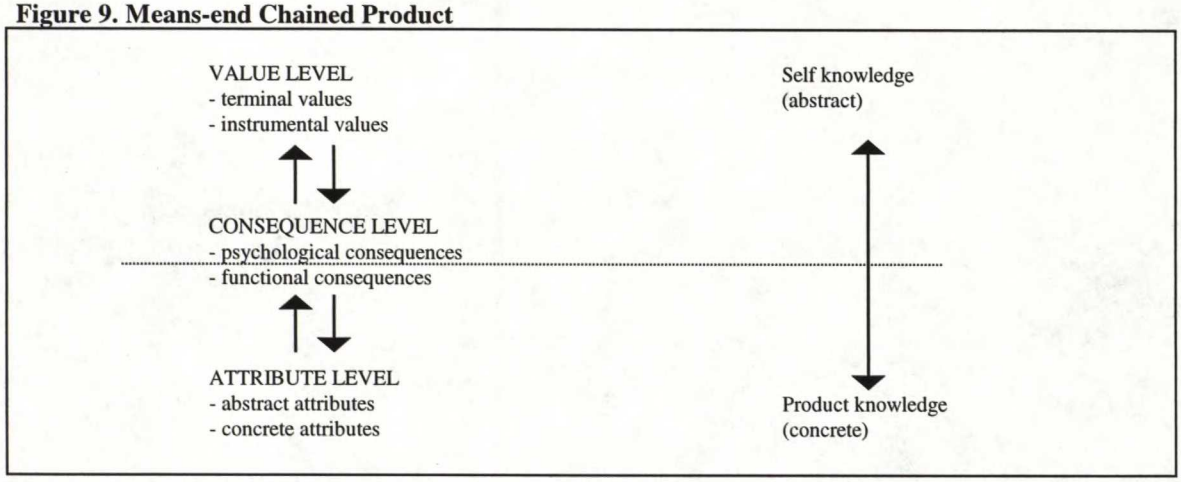


Source: Hoshino (1987, 46)

Product is a sign, where signifier (referring to physical product) is composed of e.g. design. Product has also a signified consisting of denotative (practical, technological and functional meaning) and connotative meanings (psychological needs). There are also other ways to see products through semiotic lens. For instance, Nöth (1988) distinguishes free different signs; *utilitarian, commercial and socio-cultural sign*. The utilitarian commodity sign is associated with features related to its practical use value. As a commercial sign, a product signifies its exchange value - the commercial value - in relation to other products of the system of commodities. Finally, a product as a socio-cultural sign relates to the social group or culture that it is typically associated with.

The fourth example by Hakkio (1994, 30) is the means-end theoretical product; perspective where emphasis is on linkage between abstraction levels of product. This is based on the means-end value concept that was already discussed in chapter 2.2.3. Means-end chain models are built on assumption that product itself is not important to perceiver, but it gets its meaning from consequences product can offer. This is illustrated in Figure 9 that is basically similar to figure 4 of chapter 2.2.3.

Figure 9. Means-end Chained Product



Source: Jerry Olson & Thomas Reynolds in Hakkio (1994, 32)

According to Hakkio, at least two central aspects of means-end theory should be regarded; the content and the structure. Product's content is composed of single concepts or meanings in levels of attributes, consequences and values. Product's structure, in turn, reveals the relations between these single meanings. Furthermore, the depth and width of means-end structure depend on personal (e.g. differences in self-schema; what values are important to me etc.), situational (e.g. social position or pressure from other people) and product-related factors (whether it is question of product brand, form or category).

Rajaniemi (1992, 139) summarizes the relationship between product-related factors and means-end theory by stating that attributes may be brand-specific in nature, consequences are more related to specific products, and that values are finally tied to a product group. Puohiniemi (1995, 11) however states that relationships between terminal values and class preference, and between instrumental values and brand preference have not been supported. Instead, researchers have concluded that value influences on choice criteria appear to be a function of the general value system of individuals.

3.3 Product Image

3.3.1 Product Image and Brand Image

Image can be understood as a comprehension, conception or a subjective schema of an object, constructed by person's past experience (Karvonen 1997, 152-154). Schema (i.e. cognitive plan), as described by Malim & Birch (1998, G-16), is an individual's internal representation, a kind of cognitive plan, of some specific physical or mental ability; for example, grasping an object. Product image and brand image are two different things. However, in this study we are mixing these subjects more or less together. This is based on a fact that if considering the image of a certain car model, it is impossible to make a clear distinction between what rests on that particular product and its attributes, and what on the overall image of manufacture's brand.

On the one hand, image may be understood as communication, especially visual communication or presentation. On the other hand it is considered as mental picture or idea from a certain product or brand. These different conceptions may also be called as artistic image and psychological image. The first refers to the sender performing or presenting something, the latter to the receiver interpreting and comprehending the presentation somehow. (Karvonen 1997) It has to be noted that Karvonen talks about the image as a wide concept in several different contexts, not in the context of products or marketing alone. However, he distinguishes "the marketing discourse of image" which is related to "the seller's position". The image in this rhetoric is regarded as the image of the customer's needs and desires and not "the image of reality". We mentioned already in the definitions chapter that communicated and perceived image should be spoken separately. Thus, the communicated image refers to Karvonen's artistic image (and to seller's position), whereas the perceived image is congruent to psychological image (or the image of reality).

It is not self-evident that consumers perceive car and its image in the same way that marketers do. As an example of image marketing within car business, the following example is given by Schmitt & Simonson (1997, 131):

"Mercedes-Benz of North America used a thematic legacy approach in its recent introduction of the "next generation E-class". To place the new luxury vehicle into the context of the Mercedes legacy, it used visuals in two-page print spreads to display a series of six vintage cars on the left and the new car on the right. To reinforce its continuing association with luxury - a legacy in itself - the vintage cars were shown in black-and-white photos of famous actors and actresses from different time periods."

Stanton et al. (1991, 16) talk about the range of utilities created by marketing. Utilities may be defined as attributes in items making them capable of satisfying human wants. One of these utilities, image utility, is the emotional or psychological value that a person attaches to a product or brand because of the reputation or social standing of that particular product or brand. The authors add that image utility is ordinarily associated with prestige or high-status products and that the image utility value of a given product may vary considerably depending on perceptions of different consumers. What comes to the case of cars, we assume that, first of all, the value - or level - of image utility differs significantly among different car models, and especially between different brands.

We may examine the example of Volkswagen and Audi. Both brands are manufactured by the same Group taking advantage of using common resources in the production. The cars - if we take a certain size class into consideration - are technically and practically very analogous, but the price premium of Audi is remarkable. In comparison to Volkswagen, this is based on some visible attributes too, but a major part of the price difference is assumed to initiate from the higher image utility level of Audi (for most of the consumers). The value of image is created to a great extent by marketing. We may also argue that image utility of a certain car is different in different countries.

A subject closely connected to image is brand equity that may be briefly defined as a set of assets such as name awareness, loyal customers, perceived quality, and associations that are linked to the brand (its name and symbol) and add (or subtract) value to the product or service being offered (Aaker 1991,4). Aaker (1991, 56) also mentions the name change from Datsun to Nissan as an example of forsaken brand equity. According to him, it was a costly mistake, because the recognition and esteem of Nissan was found to be eventually the same as that of the old name. Also the model name makes a difference like pointed out by East (1997, 47). He talks about the problems of naming associated with the launch of a

new car and presents the case of Citroën: In 1993 when Citroën ended production of the BX model and introduced the redesigned Xantia, they discarded all the equity associated with the BX name. It does not mean that this was a bad move, but it is evident that Xantia was seen as a totally new model, and not as a successor of BX.

3.3.2 Country of Origin Influence

In the car industry, and especially in our target countries, the country of origin is one of the most powerful factors behind the car choice (e.g. Aer 1996). Car sales in Germany, France, Italy and Sweden are dominated in the first hand by domestic cars.

> *"Lippincott & Marqulies, an identity and image firm, created a successful, quiet identity of understated elegance for Nissan's Infiniti automobile. Nissan faced the challenge of standing out against other, mostly European, luxury car makers when it entered the U.S. market in the early 1990s. The car was positioned as a distinctive piece of Japanese culture and craftsmanship and marketed separately from other Nissan products."*
> (Schmitt & Simonson 1997, 118)

Certain car brands are closely connected to their home land; Volkswagen to Germany, Citroën to France, Fiat to Italy, Volvo to Sweden, and so forth. This has naturally a strong effect on domestic sales of these brands. For example, the share of Fiat in Italian passenger car stock has been around 45% (e.g. ANFIA 1995, 170). We could assume that the images related to brand go beyond other attributes of cars; if we would replace the name plates of a Fiat car with, let's say, Toyota plates (whose market share in Italy was 0.76% in 1996 [ANFIA 1996, 133]), it could be very difficult to sell the car to a "Fiat-devoted" Italian consumer. The case would be totally different e.g. in "neutral" (i.e. no domestic car brands) Finland where Japanese manufacturers have traditionally possessed remarkable market shares (35% of the total car stock in 1997 [Tilastokeskus 1998, 42]).

However, the favorable position of domestic cars is most of all based on the strict import restrictions in the past years. This has been the case especially in Italy, where severe import quotas were imposed on for instance Japanese cars that found it therefore virtually impossible to enter the Italian markets (unlike in Finland). Only recently, deregulation has taken place due e.g. to localized production of the most manufacturers. But regardless of

that, Italian consumers still prefer Fiat, while its image has been built on a strong basis. Another simple reason for strong domestic brands is the fact that their distribution and service network is often better organized than is the case with foreign brands. Therefore, it is easier for consumers to buy and own a domestic car.

As for instance Niss (1995) proves, there is an important relationship between a country's general image and its product image. The author tells that it has been indicated in various studies that consumers use the country of origin cue symbolically, as an associative link to categorize products: France - fashion and design, Germany - technology and engineering, etc. The elements influencing consumer perceptions of product nationality can be distinguished in the following way (Usunier 1993, 249);

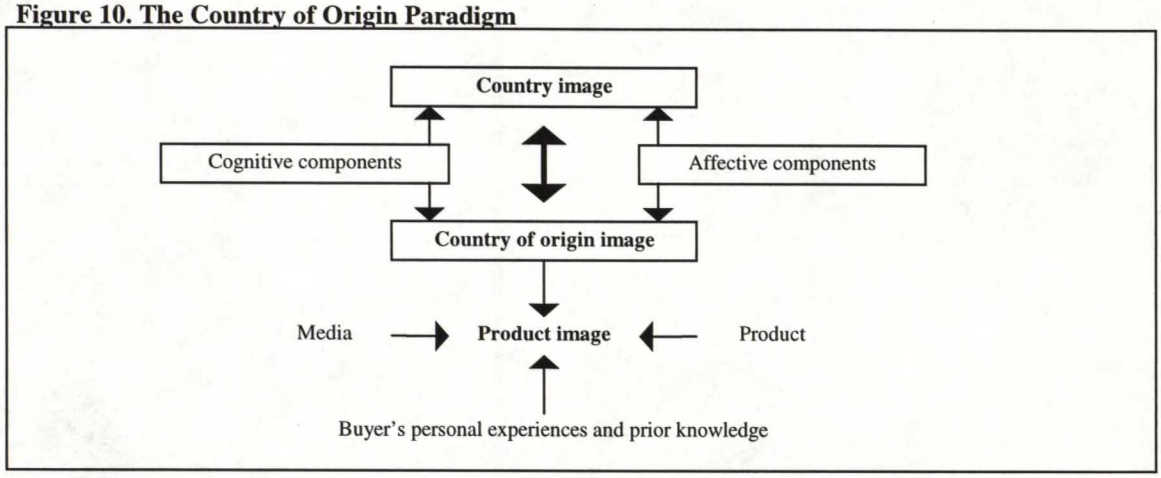
- the image of imported or international products in opposition to national products,
- national images of generic products (pasta and Italy, perfume and France etc.),
- the national image of the manufacturer,
- the image diffused by the brand name,
- the image of the "made in" label, in the sense of the manufacturing origin legally appended to the product.

In the case of cars, all these elements are very relevant. For example, Japanese brands seem to be perceived as more reliable, while American brands are perceived as more roomy and safer in the event of collision (Chung & Jay 1997, 362). This leads to a situation that a marketing that works well for Japanese brands will not work as well for American or European brands because of their different country image. Usunier (1993, 249) gives another example. He describes that "the purchasers of Swedish cars acquire, at least to a certain extent, the symbolic label 'made in Sweden' which suggest reliability and long life, thereby removing any fears of mechanical failure".

It is also assumed that e.g. Japanese cars have a different image in different countries, let's say in Finland and in Italy. This is partly due to Usunier's first element of the image of imported products versus national products. Finland lacks own car manufacturing and thus own national brands, while Italians have for example Fiat that is "protected" against

foreign brands both cognitively and affectively. Cognitive and affective components of the country of origin image are presented in figure 10 by Niss (1995, 9).

Figure 10. The Country of Origin Paradigm



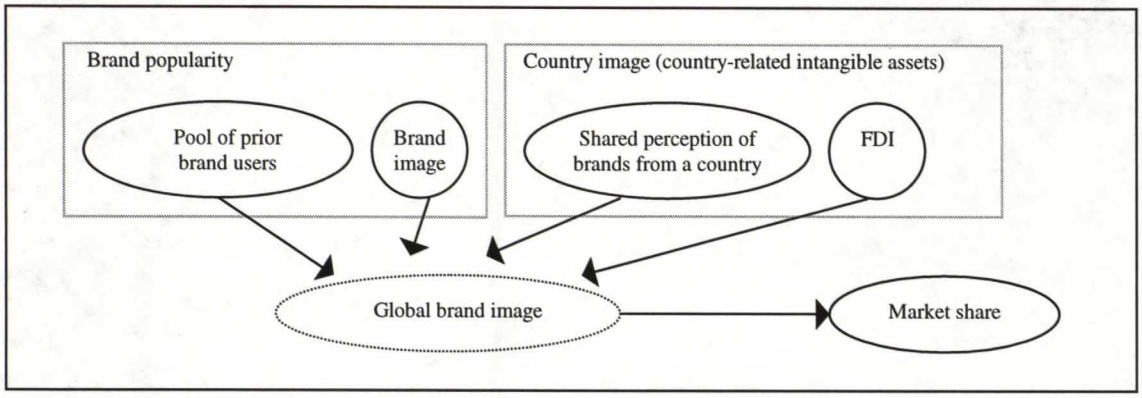
Source: Niss (1995, 9)

The cognitive components may be defined as the attributes by which the buyer understands the characteristics of a country in an intellectual way. In other words, they are the country's perceived socio-economic, cultural and political attributes. The affective components, in turn, represent the buyer's attitudes and feelings towards the country in question. They are developed through contacts, associations or past experience with the country, its people and its products.

However, the car industry is experiencing a strong trend of rapid globalization. Manufacturers form business alliances - Chrysler with Mercedes, GM with Suzuki etc. - and the location of production facilities and logistics are since long based on a global basis. Therefore, it is more and more difficult to define whether a Japanese car is really Japanese, if it is manufactured in Britain from components coming from all over the world. Chung & Jay (1997, 362) rouse this interesting question. Does a foreign firm's direct investment (FDI) in a target country has a positive or negative effect on its market share? On the one hand, a foreign brand manufactured domestically might lose a great deal of its favorable foreign identity. On the other hand, FDI might enhance an international product by offsetting "antiforeign" sentiments which prevail in certain segments of the market. The physical location close to customers may also mean better

services for them, resulting in higher customer satisfaction. The authors summarize their thoughts in a framework that can be seen in figure 11.

Figure 11. Brand Popularity, Country Image and Market Share



Source: Chung & Jay (1997, 364)

3.3.3 Role of Design

> *" The immense number and high complexity of forms must be reduced to a core of the authentically valid. Changing fashion is not interesting; what good design demands is expressive form - form that grows out of a car's distinct character and technology. To strive for "beauty" is not enough; Audi design must realise in material form the imaginative essence of a technological achievement. And sometimes the result is a new standard. What all this adds up to is* ***the creation of a design culture - a highly developed, complex system of expressive form which deeply affects the attitudes of all who come within its orbit****. Audi design has an impact on Audi executives, engineers, technicians - on the occupants of every position in the Audi enterprise."*
> (URL:<http://www.audi.com/java/models/index.html> 1.7.1998)

Design has inevitably an important role in customers' car choice and thus affects success of the model. The physical outlook or messages hidden in the forms have a complex relationship to customer preferences (see e.g. Ingrassia 1994, 112). Car manufacturers go through a long and careful process, including consumer research, when designing a new model, but the level of success is always somewhat unpredictable.

We discussed the issue of image utility in chapter 3.3.1. Related to that, we may also speak about form utility (Stanton et al. 1991, 17) that is an extremely important attribute in a car, making it capable of satisfying consumers' wants. One good example of the

importance of design - or form - is the old classic model of Volkswagen, the Beetle. As for instance Aaker (1991, 184) states, the car's distinctive shape became a symbol that was, without question, an important part of the whole Beetle phenomenon. First, it represented a design which was "ugly" in terms of the conventional design of the day and thus captured the irreverence for convention that was a large part of its image. Second, it was distinctive; no competitor was willing to copy the shape for two decades. Third, the shape was inspired by the beetle (the bug), which facilitated the use of direct associations in marketing.

One could argue that current car models from different manufacturers look very much the same. That is undoubtedly true especially when looking general lines or body forms, which has much to do with the wind tunnel tests and streamlining. Car bodies today are quite close to ideal if considering their aerodynamics. However, if we take a closer look on the design - both exterior and interior - of different cars, there appear to exist remarkable differences between manufacturers and individual car models, as well as between cars from different countries. For instance, if we compare Japanese or American cars, distinctions are clear. In America the role of design is in a way more visible, could we say theatrical, differing from the dominant design in Europe. The difference is evident also between the models of for instance Japanese manufacturers made for American and European markets. This is based among others on different status of cars in American and European societies (see e.g. Helsingin Sanomat 13.6.1998).

There are also clear variations in design among European cars. This is easy to see when taking for example the current (or the past) models of major German (VW, Audi, BMW, Mercedes), French (Citroën, Peugeot, Renault), Italian (Fiat, Alfa, Lancia), and Swedish brands (Volvo, Saab) into a closer observation. Traditionally, for example Swedish cars have always been quite simple-formed, whereas in France the use of different special features is more common. In German cars, the design has communicated more or less technical and performance characteristics. However, we have to remember that these generalizations do not apply to all situations, and the current trend in car design is rather heterogeneous. Thus, the role of design in cars' image creation is indeed critical. We will observe the contribution of design more closely in chapter 5.5 at the end of the paper.

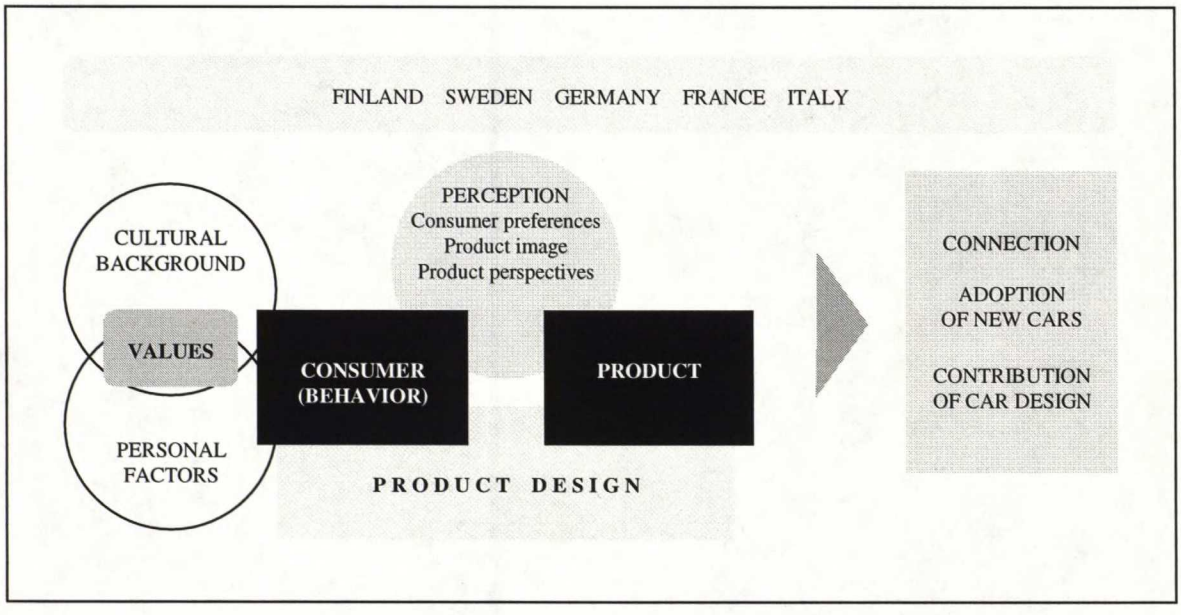
4. GENERAL FRAMEWORK AND METHODOLOGY

In this chapter we draw together the theoretical issues discussed in chapters two and three and form a framework on which the empirical part of the study will be based on. The methodology part introduces the preliminary research method to be used in this study. Qualitative research, choice of the target countries, data collection and analysis as well as reliability and validity are discussed in order to give reader a general picture and justification of the chosen method.

4.1 Framework for the Study

According to Miles & Huberman (1994, 18), the conceptual framework explains the main things to be studied - the key factors, constructs or variables - and the presumed relationships among them. It can be rudimentary or elaborate, theory-driven or commonsensical, descriptive or causal. The framework of this study is pictured in figure 12. Of the previous definitions, descriptive (and commonsensical) may be the best one to describe the nature of this framework

Figure 12. A General Framework for the Study



Thus, we are researching the connection between consumer (behavior) - especially values - and products. In other words, how products - and especially passenger cars in this case - are perceived by consumers, how consumers' preferences and product images are created, and from which perspectives cars may be looked.

> *"The meaning of many products is undercoded - there is no one precise meaning, but rather much room for interpretation among perceivers."* (Solomon 1992, 558)

Car design is the underlying theme in this paper, and our discussion is colored with examples from our target countries. In addition, many comparisons between Finland, Sweden, France, Italy and Germany are made in the text.

Concerning consumer and his/her behavior, our emphasis is on consumer values that are affected above all by different cultural and personal factors. While we discuss values in our target countries in a more or less descriptive way, some classifications, or concepts, are required in order to see the differences between the cultures and thus to be able to track down consequences of values in car perception. We are especially interested in cultural aspects that widely explain the basis of differences among the selected countries. Those existing cultural classifications are extremely feasible tools for outlining the differences. On the level of individual values (the process of reflecting values in product perception, laddering etc), we try to outline the cognitive and unconscious processes within consumers' minds, i.e. the links between design features and individual's values.

These are the main elements of the study. The outcome, chapter 5, is a discussion of the interaction between them. Moreover, a kind of an application is made on the basis of cultural and value studies: How consumers in our target countries adopt new products? The third task is to discuss the contribution of product design within this framework.

4.2 Research Method

4.2.1 Qualitative Approach

A qualitative approach was chosen for the method of this study, while it seems to be the best way to analyze the complex settings around our key concepts. Miles & Huberman (1994, 5) present some features of qualitative research. First of all, a qualitative research is conducted through an intense contact with a "field" or life situation. The researcher's role is to gain a holistic overview of the context under study whose main task is to explicate the ways people in particular settings come to understand, account for, take action, and otherwise manage their day-to-day situations. Moreover, relatively little standardized instrumentation is used at the outset, and most analysis is done with words. As a summary, a qualitative research properly seeks answers to questions by examining various social settings and the individual who inhabit these settings (Berg 1995, 7).

Wilkie (1994, 326) names some direct and indirect research approaches in assessing cultural trends. One example of the direct approach is content analysis, a systematic method of objectively studying what is contained in a given set of communications. The direct approach, in turn, includes using of survey research techniques where people are simply asked about their current views on the world around them. In this research, we have used both direct and indirect approaches.

4.2.2 Strengths and Weaknesses of Qualitative Method

Due to its characteristics, qualitative data comprises following strengths. The method focuses on naturally occurring, ordinary events in natural settings (perception of consumers), and the emphasis is often on a specific case (cars and car design). Other features of qualitative data include richness and holism, with strong potential for revealing complexity, as well as a high degree of flexibility. What is also in our interests, is the fact that the qualitative method is fundamentally well suited for locating the meanings people place on the events, processes and structures of their lives. (Miles & Huberman 1994, 10)

There exists also a lot of scepticism about the qualitative method. Even though its virtue is seldom questioned in the abstract, the practice is sometimes criticized for being nonscientific and thus invalid (Berg 1995, 2). Because many interpretations of qualitative material are possible (Miles & Huberman 1994, 7), it is often argued that a researcher can interpret the data to a direction that is favorable to his/her purposes. Another drawback of the qualitative research that has aroused active debate concerns generalization. A standard view is that it provides in-depth but poorly representative results (Alasuutari 1995, 143). Mason (1996, 6) states that qualitative research should produce social explanations which can be generalized in some way. We admit that this study moves on a very generalized level, because conducting a detailed research about individuals' behavior, applicable to several different situations, is virtually impossible.

Despite all of these weaknesses involved in qualitative method, we believe it is a suitable, and the only possible approach when considering the purposes of this study. Given the complexity and "indefiniteness" of the subject together with the limited resources, this is believed to be the best way of getting the most out of the issue.

4.3 Implementation

4.3.1 Data Collection

According to Marshall & Rossman (1995, 78), the fundamental methods of qualitative research for gathering information are; participation in the setting, observation, in-depth interviewing and document review. Data collection in this study was primarily completed through document reviews and personal in-depth interviews in all of the countries in question.

Interviews were targeted to experts and professionals who were believed to possess a good perspective on issues of the project in each of the countries. The group of interviewees consisted of car industry professionals (car designers, marketing experts), consumer behavior and trends professionals (advertising agencies, people in fashion, designers) as well as of academic researchers from different disciplines (marketing, semiotics,

sociology, communication). While the resources were limited, concerning especially interviews abroad, the intention was to find the most relevant persons to share their views. The list of the interviewees is included in the end of the paper.

Altogether 43 interviews (15 in Finland, 10 in Sweden, 4 in France, 7 in Italy, and 7 in Germany) were conducted during the project. One interview was made through fax, one by email, and the rest face-to-face in the countries in question. The interview language was Finnish in Finland and English elsewhere (except two interviews in Sweden and one in Italy were made in Finnish, and one in Germany in German). In addition to the (two) interviewers, there was usually one person answering the questions (in few occasions, there were two or three interviewees). The interviews were also recorded and transcribed afterwards.

The issues of discussion varied according to experiences and interests of the interviewees. So, there were no detailed questions but the central theme was outlined. Qualitative interviews are often characterized by a relatively informal style, a topic-centered and narrative approach (e.g. no structured lists of questions, but usually a range of topics, themes or issues wished to be covered), and the assumption that data are generated via the interaction (Mason 1996, 38). Berg (1995, 31) in turn divides interviews into types of standardized, unstandardized and semistandardized interviews depending on their use of formally structured schedule of questions. The interview approach in this study was semistandardized, somewhere between strictly formal and totally loose. Before implementing interviews abroad, the interview themes were tested with the (pilot) interviews conducted in Finland.

In addition to this primary data, a great amount of secondary data was reviewed, including research books and articles, pieces of news, magazines, brochures, car adds, etc. During the interview trip, the Paris Motor Show (Mondial de l'Automobile 1998) was also visited. The active observation of all that is occurring around (e.g. car design and lifestyle trends) enables a deeper understanding of the subject, because the researcher is in a way participating in the research setting.

4.3.2 Data Analysis

Data analysis is the process of bringing order, structure and meaning to the mass of collected data (Marshall & Rossman 1995, 111). Feldman (1995) introduces four feasible strategies for analyzing qualitative data, especially in the context of describing culture; ethnomethodology, semiotic analysis, dramaturgial analysis and deconstruction. These interpretation techniques are used after the researcher has in-depth knowledge of the events being studied - gained through observation, interviews or other data gathering techniques - and the context in which they take place. Of them, semiotics proved to be very useful for the purposes of this study. Semiotic theory is defined as a unified approach to every phenomenon of signification and/or communication, and its key assumption is that surface signs are related to an underlying structure. In our case, we in a way identified the values in a given culture (i.e. underlying structure) and related it to visible attributes of car design (i.e. everyday signs).

However, more than using directly semiotic analysis, central points of the interviews were collected into groups of specific themes. These issues were further analyzed and then conjointed to relevant research in order to form meaningful entities. Concerning the secondary data, a same kind of process of collecting relevant issues into an appropriate context was conducted. The real challenge was to get the wide research material into a coherent package. The data was not analyzed in a highly systematic or structured way. Our intention was to gather a wide material base from a large number of possible variables having influence on consumers' values, perception, etc. This broad base made possible the forming of a comprehensive overview of the subject, instead of going into details for example in the process of product perception.

4.4 Reliability and Validity

There exist several measurements for the quality of qualitative research. For example Miles & Huberman (1994, 277) review some standards used in the assessment of quality of which the most important - objectivity, reliability, internal validity and external validity – are next discussed.

The basic issue concerning *objectivity* is the relative neutrality and reasonable freedom from unacknowledged research biases. In this study, the objectivity requirement was met for instance by explicitly describing general methods of the study and considering several hypothesis and conclusions. Even though the project - of which this study is one part - was meant for certain interest groups, the goal of this particular study was to implement a purely academic research, disengaged from all managerial obligations, to ensure the objectivity.

The major question in assessing *reliability* is whether the process of the study is consistent, reasonably stable over time and across research methods. Features of the study design that is congruent with clear research questions, as well as appropriate settings, times and respondents in data collection are examples of measures to reach a desired level of reliability. It is supposed that these requirements were fulfilled relatively well. The quality of the study was also ensured by colleague and supervisor review during the process.

One of the consistent criticism leveled at research emanating from the human science tradition is that such research lacks *validity* (Salner 1989, 47). Validity has generally meant whether a particular method measures what it is intended to measure (Kvale 1989, 74) and it is often divided into internal (do the findings of the study make sense and are they credible to the studied people and to readers?) and external validity (are the conclusions transferable to other contexts?) (Miles & Huberman 1994, 278). The latter is closely connected to the issue of generalization discussed earlier in this chapter. According to Kvale (1989, 77), validity is ascertained for instance by checking the credibility of knowledge claims, continually asking what is being investigated and why, and theoretically and philosophically questioning the nature of the phenomena investigated. This was constantly conducted during the study process to assure the validity of the paper. The comprehensive theme of the study naturally constituted a lot of challenges in this respect.

The assessment of research quality is eventually made by the reader, even if his/her knowledge of the subject in question would not be adequate for well justified

argumentation. However, the task of the author is to give a sufficient and appropriate information concerning the chosen method, so that the reliability, validity and other quality issues can be assessed by the reader. This was hopefully done.

5. TARGET COUNTRIES, CAR PERCEPTION AND CAR DESIGN

Next, we move into the findings and discussion part of the study. The text in this chapter is based both on literature research about the central themes as well as on the interviews that were made during the project. First, we will take a short and general look into our target countries, first regarding car sales and industries, then consumer values and behavior. After that, we will discuss product perception (values, product perspectives and image) to find out which tools may be used to track down interlinkages between these issues. Chapter 5.4 introduces an application of these relationships by proposing how adaptation of new products may differ in our target countries. Finally, we will make a suggestion of the contribution of design in the context of product perception.

5.1 Car Sales and Industries in Target Countries

For the sake of background knowledge, this chapter offers a narrow glimpse on the recent car sales and the state of car industries in Finland, Sweden, France, Italy and Germany. Because cars and car design are our prior interests, it is appropriate to know which cars are actually bought and what is the role and the magnitude of automotive industry in each of the countries.

5.1.1 Finland

Although Finland is a very small country regarding the number of cars sold, it is an interesting case among our target countries. In Finland there were 1.95 million passenger cars in use in 1998 (Tilastokeskus 1998, 10), and the number of new registrations varies around 100 000 per year, being 105 000 in 1997 (Tilastokeskus 1998, 14). Also, the quantity of passenger cars per 1000 habitants is relatively low, namely 378 (Tilastokeskus 1998, 16).

What makes Finland different from our other countries, is especially the fact that there exists a wide variety of brands holding quite a small market share. There is no clear leader

in that sense, which is probably very much due to the lack of domestic car production and domestic brands in Finland. The top selling brands have remained quite the same during the recent yeas. Toyota, Volkswagen and Opel have held the leading position by turns, followed by Ford, Nissan, Volvo, Peugeot, Renault, Fiat, and so forth (Helsingin Sanomat 16.5.1998; Tilastokeskus 1998, 48 & Suomen Tieyhdistys 1997, 25). In total car stock top three positions are held by Toyota, Opel and Nissan, each brand having over 200 000 cars on the Finnish roads (Tilastokeskus 1998, 48).

However, the differences in market shares between countries of production are greater instead. In the total stock there are two superior leaders, Japan and Germany, Japan still in the top position with 33.9% (Tilastokeskus 1998, 16). Germany is only 1.9% behind and will probably bypass Japan very soon. For instance in 1997, the share of Germany-produced cars in new registrations reached 37.6%, followed by Japan (16.7%) and France (14.0%) (Tilastokeskus 1998, 43). The share of Japanese cars is very high in Finland compared to our other target countries, which is a very interesting point. We have to keep in mind that the country of production does not necessarily tell which brands are in question, because all the manufacturers have production also in foreign countries. The best selling car segments have been the so-called C- and D-segments (medium and medium high), consisting of cars like Toyota Corolla, Opel Vectra, Toyota Avensis, VW Polo and Nissan Primera. These were the best selling models in Finland at the beginning of 1998 (Helsingin Sanomat 16.5.1998). As mentioned, Finland does not have own car production. However, some assembling of foreign cars (Porsche Boxter and Saab convertible at the moment) takes place in Uusikaupunki where 21 000 cars were assembled in 1995 (VDA 1996, 100).

5.1.2 Sweden

In Sweden, there were 3.65 million passenger cars in use in 1996 (Suomen Tieyhdistys 1997, 103), of which most common brands were Volvo, Saab, Ford, Volkswagen and Opel (BIL 1995, 16). As we could calculate, the number of passenger cars per 1000 inhabitants is higher than in Finland, namely 408 (VDA 1996, 323).

Volvo has been the clear leader also in new registrations during the years. For example, it held the number one place with 23.1% in 1997, followed by Volkswagen with 10.5%, Ford with 10.2% and Saab with 7.7%. Then came Opel, Audi, Toyota, Renault, Nissan and Skoda. (MRF 1998) So, Sweden has always had a clear favorite brand, which make the case differ from the situation in Finland. Sweden (54 100 new registrations in 1994) and Germany (53 800) have been the two strongest countries of production in Swedish car sales. Japanese (16 800) and French cars (13 800) have usually been the next but as we see, they have stayed far behind the two leaders (BIL 1995, 24). This can also be noticed in the best selling models. The top five ranking consisted of Volvo 70-series, Volvo 40-series, VW Passat, VW Golf and Saab 9-3 at the beginning of 1998 (URL: <www.mrf.se/...> 15.7.1998).

Even though the domestic car production in Sweden is very small in international comparison (e.g. the number of cars produced in Germany is over ten times higher), it has had a great influence in the whole Swedish society. In 1995, there were near 388 000 passenger cars produced by Volvo (290 400) and Saab-Automobile (97 300) (VDA 1996, 319).

5.1.3 France

When we talk about the number of cars in France, Italy and Germany, they are naturally huge in comparison to Sweden or Finland. In 1995 for instance, the total stock of registered passenger cars in France reached 25.1 million (Suomen Tieyhdistys 1997, 101), and there were 1.9 million new cars registered (VDA 1996, 116). In other words, there are as many new cars sold in France every year as is the total car stock in Finland. The number of cars per 1000 habitants amounts to about 430 (VDA 1996, 117). The car sales in France are very much dominated by domestic manufacturers. Renault, Peugeot and Citroën have been clear market leaders, followed by Ford, Opel, Fiat and Volkswagen (see e.g.VDA 1996, 404).

France is the fourth biggest manufacturer of passenger cars in the world after Japan, USA and Germany. In 1995, there were 3.05 million automobiles produced in France by PSA (Peugeot, Citroën), Renault and Sevel (Fiat, Lancia) (VDA 1996, 111). In a worldwide

comparison of motor vehicles in total, PSA/Peugeot-Citroën is on the 9th place with 2.11 million vehicles manufactured in a year (Helsingin Sanomat 16.5.1998).

5.1.4 Italy

The total passenger car stock in Italy consists of 30 million vehicles (Suomen Tieyhdistys 1997, 101), and 1.7 million new registrations were made in 1996 (ANFIA 1996, 133). The saturation level in Italy is the highest of our target countries, while per 1000 persons there are 520 cars (VDA 1996, 180).

The market share of domestic brands is extremely high in Italy, reaching 43.6% in 1996. The sales are very much dominated by the Fiat Group (Fiat, Lancia, Alfa Romeo...). Fiat has been the number one brand with very high shares, 33% in 1996. The followers in the same year were Ford, Opel, Volkswagen and Lancia, with a share of about 6-9% each. It should also be noticed that Italians prefer smaller cars, A-, B- and C-segments. In 1996, five best selling models were Fiat Punto, Fiat Bravo/Brava, Ford Fiesta, Fiat Cinquecento and VW Polo. (ANFIA 1996, 133) As mentioned earlier, the simplest explanation for the high share of domestic brands in Italy (and also in France) during the past years has been the high degree of import quotas and restrictions imposed on foreign cars. However, the deregulation (due to localized production and EU, among others) will probably increase the market shares of foreign brands in the future. The total domestic car production in Italy was 1.4 million in 1995 (VDA 1996, 173) that in practice was formed by the Fiat Group almost entirely.

5.1.5 Germany

In Germany there are over 41.3 million passenger cars in use, which makes it the largest market of our target countries. There are 503 cars per 1000 inhabitants. The number of new registrations reached 3.5 million in 1997, of which 33.4% was covered by foreign brands. (URL:<www.vda.de> 15.7.1998)

Thus, also the German car markets are fairly dominated by domestic manufacturers. The most sold brands have been Volkswagen, Opel and Ford, followed by Mercedes-Benz,

BMW and Audi. In 1994, the most successful foreign brands (if we exclude Opel) were Renault, Fiat, Nissan and Peugeot that all sold over 100 000 cars. (VDA 1996, 404) The domestic car production totaled to 4.7 million passenger cars in 1997 (URL:<www.vda.de> 15.7.1998). The biggest producers are Volkswagen Group (VW, Audi, Seat, Skoda...), Mercedes-Benz (DaimlerChrysler) and BMW.

5.2 Consumer Behavior and Values in Target Countries

We will next take a general look into our target countries and their consumers. What comes to supporting studies, the prior emphasis is put on the cultural study of Hofstede (1978), because his research goes deeper into values of our target countries, and it offers a nice data base for making comparisons between them. Other studies that we will refer to move on a more general level and look cultures often from a strong American viewpoint. However, their classifications offer also some interesting points for discussion.

5.2.1 Hofstede's Classifications

Hofstede (1978) has researched value systems in forty countries according to his classification of cultures. The information concerning our target countries is summarized in table 7.

Table 7. Hofstede's Value Systems in Selected Countries

	Power Distance (PDI)	Uncertainty Avoidance (UAI)	Individualism (IDV)	Masculinity (MAS)
GERMANY	35	65	67	66
FRANCE	**68**	**86**	71	43
ITALY	50	75	76	**70**
SWEDEN	**31**	**29**	71	**5**
FINLAND	33	59	63	26
mean (all 40 countries)	*52*	*64*	*50*	*50*

Source Adapted from Hofstede 1978, 6

We have to keep in mind that Hofstede's value systems comparison was based on data that was collected within one single multinational corporation, its subsidiaries and employees belonging to a specific layer of the social structure. They represent more middle class people than any other. Still, the theory is in our belief a good basis for discussion. Another thing in Hofstede's research that may be a bit problematic is the time. However, even though the study of Hofstede is already twenty years old and cultures have gone through changes, it could be argued that the results are highly relevant also today. It must be kept in mind that these underlying cultural values are fairly enduring, because their forming has taken a long time.

Power distance index (PDI) indicates the extent to which a society accepts that power in institutions and organizations is distributed unequally. France holds a more higher PDI than the other four countries, Italy is just below the average, and the rest have a rather low PDI. In France, according to Hofstede, there should be an order of inequality in which everybody has his/her rightful place. In this society, hierarchy means existential inequality, and superiors consider subordinates being of a different kind (and vice versa). Power holders are also entitled to privileges and they should try to look as powerful as possible. Other people are a potential threat to one's power and can rarely be trusted. Therefore, there exists a latent conflict between powerful and powerless. Instead, in low PDI societies - Sweden, Finland and Germany - inequality should be minimized. Other people should be held equal and hierarchy means only an inequality of roles, established for convenience. The use of power should be legitimated, and people at various power levels feel less threatened and more prepared to trust people. On the contrary to France, in low PDI countries powerful people should try to look less powerful than they are.

In terms of the index of *uncertainty avoidance* (UAI) - the lack of tolerance in a society for uncertainty and ambiquity -, Frenchmen and Italians e.g. feel uncertainty inherent in life as a continuous threat that must be fought against. This leads to several consequences, such as higher anxiety and stress, inner urge to work hard, and more showing of emotions. Aggressive behavior is accepted, and these countries are also fairly nationalistic. In addition, a concern with security in life is constantly apparent, as is the search for ultimate truths and values. According to Hofstede, high UAI countries are characterized by strong need for consensus, conservatism, law and order, as well as for written rules and

regulations. Furthermore, deviant persons and ideas are dangerous, there is intolerance towards them.

With the experience of France and Italy and according to our interviews, it is easy to agree that these characteristics may very well define French values. Italy, however, is more problematic. Its UAI is clearly lower that that of France, but still it is difficult to admit that consensus, conservatism, law and order would be more typical for Italians than e.g. for Germans. Anyway, again we have to remember that Hofstede studied in the first place multinational companies, not cultures or societies. Or perhaps we should interpret these results by noting that there is a need for forcing of law and order in Italy, because these qualities are not "naturally" included in Italian characteristics. Whereas in Sweden, less forcing is needed while consensus, conservatism, law and order are an irremovable part of the Swedish mentality. Sweden, thus, has a very low UAI, which means that the uncertainty inherent in life is more easily accepted. Ease, lower stress and less showing of emotions are expressions of the low UAI. Furthermore, hard work is not a virtue per se, and aggressive behavior is frowned upon. There is also a tendency towards acceptance of dissent, and less conservatism, either is deviance not felt as threatening. People are also more willing to take risks in life. The authorities are to serve the citizens, while in high UAI countries ordinary citizens are incompetent versus them.

All of our countries seem to be yet quite similar regarding the *individualism* index (IDV). According to Hofstede, in high IDV societies, everybody is supposed to take care of him/herself and his/her immediate family. There is an emphasis on individual achievement, and everybody has a right on a private life and opinion. In overall, the belief in individual decisions is strongly present. Still, in our interviews we found that there are great differences in individualism among our target countries, of course depending on what is meant by the definition of individualism. Italy has the highest IDV, and especially in design context they can be said to be at a totally different level of individualism from the Finns for instance. In Italy, individualistic ideas are much more strongly encouraged, and the philosophy behind doing things - design is a good example - lies on a basis of strong individualism.

We have to make a clear distinction between individualism and power distance. Also Hofstede himself states that even though IDV and PDI are negatively correlated, they are conceptually quite distinct. Nevertheless, France and Italy score high on both categories. This may be explained by the fact that power distance is accepted in these cultures, and people are individualistic in a sense that they have less concern for others. In low power distance countries like Sweden, Finland and Germany, in turn, people oppose inequality and pay more attention on the well-being of other people as well. Still, they are allowed to be very individualistic. An interesting issue related to this point was raised in one interview, namely ecology. It was discussed that in Italy it is extremely difficult to get people believe in recycling because it does not offer them personally any concrete benefits. In Germany instead, all should be interdependent, and care for environment is felt more or less as a shared task, for which everybody is responsible.

The index of *masculinity* (MAS) varies greatly among our countries. In Italy and in Germany, men should be assertive, and women nurturing. Sex roles in society are clearly differentiated, and male values dominate in society. Performance, money and tangible things are important, which means that a general sympathy is shown towards successful achievers. Hofstede states also that women who achieve leading positions possess even more male value systems than men. In low MAS countries like Sweden and Finland, men do not need to be assertive and can also take nurturing roles. Male values are less dominant there, and quality of life, people and environment are seen as very important issues. Moreover, sympathy is felt for the unfortunate.

5.2.2 Other Stereotypes

The stereotypologies of consumers may be dangerous if they are followed blindly. Their problem is a strong degree of generalization, which is naturally their meaning too. One of the basic idea of this study has been more to contradict the stereotypes than to take them for granted. For the discussion, they offer a good starting point. However, it is not the purpose of this study to say if they are true or not, nor to create a guide of how to cope with people in different European countries. Furthermore, it is usual from an academic viewpoint to hold on to studies having credibility in terms of research nature, instead of books like those of Moran (1991) or Michaud & Kimmel (1993). They yet include many

interesting insights of cultural differences but have a weak contribution for research purposes.

In his famous books, Hall discusses high and low context cultures. In a high context culture, communication or message is of a kind in which most of the information is either in the physical context or internalized in the person. Very little is in the coded, explicit, transmitted part of the message. In a low context culture the situation is the opposite; the mass of information is vested in the explicit code. (Hall 1989, 91) How this difference then could be seen in values? According to Samli (1995, 40-48), cognitive values are more dominant in low context countries. In turn, in high context cultures affective values are felt at least equally important to cognitive values. Of our target countries, Hall & Hall (1989) have described Germany and France. As a summary, we could define that Germany is more a low-context culture that France, people make decisions more on a cognitive - should we say rational - basis. One interesting note of the authors is the following. Germans believe that their possessions have inherent value, symbolizing permanence in an unstable world, and they also expect things to look and feel solid and to last a long time (Hall & Hall 1989, 46). Whereas for the French, long-term planning is especially difficult (Hall & Hall 1989, 89). For the rest of our target countries, it could be said that probably Sweden and Finland are more close to Germany in Hall's scale, and Italy to France.

Riesman's (1953) classifications of inner, other, and tradition directed countries are also a little too superficial for our purposes. However, some interesting notes related to values can be derived from them. In Riesman's classification, cognitive values are predominant in inner and other directed countries, whereas affective values dominate in tradition directed societies (Samli 1995, 40-45). It could be stated about our target countries that cognitive values are predominant in Germany, whereas Italian and French consumers act on a more affective basis. Again, this is a rough stereotype and hard to verify. However, we may refer to some comments from the interviews related to this theme. One person working in design education field in France stated that the French are more inclined to philosophy and concepts, they are thinkers not doers. Thus, there has to be a philosophy also behind design. In car design, Renault is a good example of French innovativeness; the idea of concept cars was initially developed by the company. In Italy the philosophy behind design - a strong philosophy is a prerequisite for everything - is in many ways very

similar to that, of which Alessi Design Factory is maybe one of the best manifestations. They produce several different products that strongly divide opinions all over the world, but they have a strong philosophy of a certain innovativeness behind their doings.

Comparing Italians and Germans, a good comment was made by one marketing professional. He mentioned that Italians are not as price sensitive customers as Germans. For them, image and status of the car is very important in the purchase decision, not the price (in relative terms, of course). In overall, Italians have a very strange relationship with their cars. It is somehow an extension of owner's personality, not an instrument to move from one place to another. Car has to make its owner more important than he/she really is, which makes design important. All the equipment, gadgets, buttons etc. are important for Italians, unlike for Germans. The Germans do not usually put their money in "useless" things. Another generalization is that for Italians beauty is important. The world bello (nice, beautiful) is often used, meaning that a product is properly done. So it is not related only to the external look but is also a superficial expression. In Italy, there is a general respect for creative freedom and personal freedom. Sometimes it feels that there is so much respect for personal freedom that there is no respect for anybody else, was the comment of a foreign designer who had lived several years in Italy.

These were some notes just giving examples of how differences between countries, their behavior and values, are described. The aim of this chapter, however, is not to amplify the existing stereotypes, nor to create new ones. Therefore, we do not really want to be drowned in analyzing the images certain persons have about people in different countries.

5.2.3 Values' Perpetuity and Changes

One issue that again needs to be stressed is the question of how fast values actually change. It was a common opinion among the interviewees that changes of basic values happen very slowly. The change of behavior and values in a culture takes even two generations or more. It is very easy to agree on that. According to one of the interviewees, the development of values in the last 50 years in Finland can be illustrated with five different phases: conforming (50's, norms and conventional manners), materialism (60's, consumption society), ideology (70's, protesting, breaking the limits), pragmatism (80's

adaptation and performance), and ethics (90's, reassessment of life values and selectivity). It is supposed that these phases have been quite similar in all modern western societies. One interesting point from recent years was that the recession affected the values relatively strongly.

Another important theme concerning value change was raised in couple of interviews. Generally, the value base will become more like a mosaic. For instance the internationalization brings more influences (breaths of foreign cultures, religions, etc.) into a culture from all over the world. This leads, among others, to a greater variety of lifestyle choices for consumers. The trend towards multiple values may lead to a situation where people create a flexible value basis that can be adapted to every new situations. It is more and more difficult to firmly express one's own conviction. A person can have many different lifestyles depending on each different situation. Furthermore, that mosaic reflects in products so that it will be harder and harder to sell one standard model to different consumers. The immaterial needs and values are also picking up, their importance will be more and more stronger in the future. However, the basic human characteristics are not subject to any radical changes, the basic needs will remain about the same.

Religion is a surprisingly strong factor having influence on values also in our target countries. Usually it cannot be said that some aspects are directly related to religion, but the links can however be somehow derived in many cases. In one interview, for example, we discussed value researchs conducted in countries all over the world. According to them, also in the Europe the distinction between catholic - Italy and France - and protestant countries - Finland, Sweden and Germany - is clear. In protestant societies, for instance the rules of the society, like laws, are obeyed quite literally. This is an internalized matter, a question of conscience. Like one of our French interviewees said, in catholic countries, everything people do can be forgiven. Nothing is deadly because it is always possible to confess. Moreover, food, fashion, comfort and other "earthly pleasures" are more appreciated in France and Italy. This evidently affects also consumers' tastes towards products' design.

5.3 Product Perception - Values, Product Perspectives and Image

Now as we have taken a narrow look to the values of our target countries, we will make a move to the next part of the study. In this chapter, we will discuss the link between consumer - mainly concerning values - and product (car). In other words, we try to model the complex issue of how values are reflected in consumers' perception of cars. In addition, we discuss shortly the overall image formation of cars and the country of origin influence on this image.

5.3.1 Cars and Different Product Perspectives

> *"The car is an object whose value is quite as much cultural as it is utilitarian. It is 'worth' less in terms of its utilitarian function than in terms of heavy symbolic investment which it represents. The motor industry's perennial problem is that models must be constantly 'restyled' according to market forces. In view of this, it is clear to what extent everything which conveys 'fashion' in a vehicle must obey varying criteria of 'ostentation', 'expressiveness' and 'novelty', none of which is necessarily compatible with 'functionality'. It is now recognized how imperative it is to come to terms with the psycho-socio-semiotic reality within which the vehicle exists."* (Solomon 1988, 205)

Sensorial and Utilitarian Product

Like with any other product, the easiest way to analyze car as a product is to look it from sensorial and utilitarian perspectives. However, it may be argued that even though this aspect forms the basis for other perspectives - an actual product has to be good if success is expected - the emphasis of at least marketing and design is more and more on the perspectives emphasizing immaterial attributes of cars. This is also due to the fact that different cars are, after all, quite similar as basic products. In other words, the core benefit, as well as the generic and expected product are more or less congruent in every car. The augmented and potential products of different manufactures already include some differences, but these are however not too big either. Basically, the level of equipment is about the same in every model within a certain car segment.

Car is a big investment for customers in every country, and has to be based also on a rational decision, which naturally emphasizes the utilitarian perspective. It is probably so that the more expensive the car is, the more stress is put on the sensorial and utilitarian – practical, so to say - aspects, especially if the purchase is relatively speaking a big investment. There are clear differences in car prices also among our target countries. The prices are clearly higher in Finland than in Germany or Italy. Therefore, it is supposed that for the Finns the purchase decision is made on a more rational basis emphasizing the physical attributes, and not so much on emotional aspects like design or image in overall.

Despite its strong sensorial qualities, car is thus certainly more than a utilitarian product, because there are a lot of emotions connected to driving. This can be seen in a research made in the United States (Berry 1998):

> *"Emotions also seem to be playing a role. There appears to be something of a disconnect in Americans' attitudes towards car and driving. The lure of getting behind the wheel and hitting the road is still strong. The broad majority of Americans (82%) say they enjoy the experience of driving. Only about half (52%) take the utilitarian view that a car is nothing more than transportation to get me where I need to go."*

Personification

Quoting one of the interviewees, consumption is today a means of communication, a message, not based on a physical need. It is a signal of belonging to a certain group. This is also very much the case with cars. As noted in chapter 3.2.2, personified product is mainly base on the marketing needs to differentiate products from those of competitors. The car is certainly an expression of personality and social position, and maybe more so in Italy than in Finland. The expression of self is usually connected to showing of merely status and power - social position - that other aspects of personality. As suggested by Hofstede's research, in high power distance societies like France, and Italy also, people want to show their power. Instead, in Sweden and Finland, people want to look less powerful than they really are. This came out also in several interviews. One funny example was told by a managing director driving a car that does not actually bring out his status. According to his words, some people had found this peculiar and been even "mad" at him.

So, this is one aspect of personification as a connection between products and users. In addition to expressing ourselves with products, we also infer personalities of other people from the products they use. Car is probably one of the best examples in that context. Certain images are automatically linked to a person driving a certain car. Some brands create strong images, some less stronger. Every country appears to have its own brand that is generally accepted - thus, not creating strong emotions - among the people. In Italy it certainly is Fiat, in France Renault, in Germany Volkswagen, in Sweden Volvo, and in Finland probably Toyota. These are just examples, there are undoubtedly other "neutral" cars as well, and the whole question depends naturally also on car segment and each specific model in question. However, it seems that domestic brands are more accepted among general public than foreign ones.

The third way to look products from the perspective of personification - "we" - is thus a short of combination of "I" and "them" perspectives. People perceive cars according to what they believe others would think of them if they have a certain car. Related to this, an error of interpretation was raised in one of the interviews:

> *"I experience myself only from inside, but I observe the others from outside, not seeing the inside... This creates a common error of interpretation; we believe we are seeing the inside through the exterior. In other words, this induces a fallacy of belief that people really are what they look like."*

Symbolism

The symbolic dimension is very important in most products. The basic product has to be good, and on top of that come factors creating added value; social affinity, status, aesthetics. For instance, if the product corresponds to the whole pyramid of Maslow's needs hierarchy, it is surely more appealing for a customer than the basic product fulfilling only the basic needs, which was stated by one of the interviewees.

If we refer to semiotics, the physical elements of the car can be interpreted as a signifier. The other main aspect of the product – or the sign – is the mental expression raised by

these elements (=signified). Car as a semiotic sign – or as a code - is a type of relation between signifier and signified. This code is produced by cultural rules meaning that car gets its meaning from culture. Thus, in semiotics all the products are understood in a manner that they refer to something, there is a reference relation between the issues. This reference relational is however not uni-dimensional, like car-freedom. Instead, when a person deciphers objects, it generates several reference relations, associations. This creates a process of thoughts, or a story. In relation to design and designers, the idea is well described by Bloch (1995, 22):

> *"In addition to providing consensual styles of visual form, the culture also affects design tastes on the basis of semiotic considerations... designers encode in their creations a meaning derived from the culture, which they intend the consumer to extract. Designers expect consumers to prefer products that communicate meanings that are desirable within a particular culture or subculture. If a culture values high technology, forms that communicate technical sophistication should be preferred."*

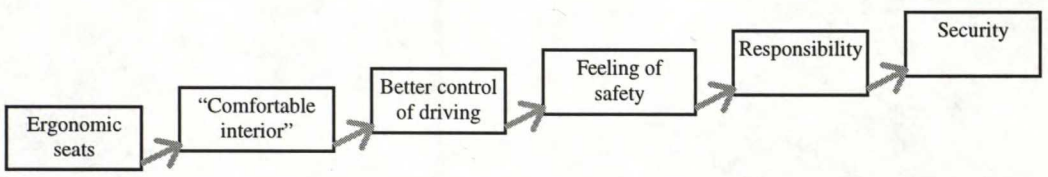
As a material object the car consists of technology, materials, design, color and brand name (see figure 8 in chapter 3.2.2). This together with its denotative – i.e. technological and functional – meaning forms the economic product. Besides being a tangible object, car also corresponds to consumer's physical needs. However, in the case of cars this is not even close to the truth of how cars really are perceived by consumers. The aspect of connotative – non-material and imagistic – meaning makes car a cultural product that corresponds also to consumers' psychological needs. When talking about consumer values, they are often connected to the connotative meaning – like certain status - of cars, but also to denotative meaning – like the need for transportation. Instead, considering image differences of some specific car in our target countries, it is always a question of differences in connotative meaning that the car signs, since it is as a physical product the same everywhere.

5.3.2 Consumer Values and Cars

As said by one interviewee, the car requires from a consumer at least financial, psychological-emotional and social investments, which makes the relationship very firm. The critical issue is the interfacial user connection of a car; i.e. the relationship between

the product and its user. We now take a look into values: How they may be reflected in the perception of car? According to another interview, it is generally known that values are appearing and taking shape in products. But what happens on the interface, what are the roles of actors – people and their values? These are interesting issues.

In the first part of this paper we discussed terminal and instrumental values. This idea is often used together with the concept of means-end laddering. Like we remember, the means-end chained product was also one of the possible perspectives of monitoring products. In the illustration below, we make a hypothetical application and use the A-C-V (attributes, consequences, values) model in relation to car design. There, ergonomic, well-designed seats are concrete attributes of a functional and thus "comfortable" interior. One consequence from that is the improved control of driving, which in turn increases - consciously and subconsciously - the driver's feeling of safety. That may reflect the instrumental value of responsibility. Security is the underlying terminal value ("end") which is unfolded by the steps of the ladder ("means").



Two central aspects were related the idea of means-end chained product, namely product's content and structure. Car's content is composed of single concepts or meanings in levels of attributes, consequences and values. The structure shows the relations between these meanings. An example by this kind of structuring is presented in the book by Nonaka & Takeuchi (1995, 204). There is a short illustration of an analysis made for the Nissan Primera concept. One of the typical users' characteristics is for instance the feeling of intimacy with technology. Connected to this, an important requirement for a car is a persuasive product concept supported by high technology. In this case, the analysis is made on a very concrete basis, it is in a way linking the concrete attributes into functional consequences.

5.3.3 Overall Brand Image

It is essential to discuss some central themes connected to the overall brand image of cars. To some extent, image of a certain car may be interpreted as a consumers' perception of it. The differences between car images were clearly shown for example in Paris Motor Show, where the manufacturers displayed themselves in various different ways. In some cases, the cars actually played side roles. It was also visible that manufacturers are widening their brands into different product categories. That was also discussed in many interviews. This means that car brands are becoming more and more like lifestyles. You can drive a Renault, wear Renault clothes, drink coffee from a Renault cup and so forth. Car manufacturers are aiming at lifetime loyalty of customers with various measures. For example, person who buys a Porsche car automatically belongs to Porsche club, which is to support car sales and increase the focus on the customer.

The impact of different prizes and awards is supposedly substantial on the image of cars. Consumers feel safe to choose a car that is commonly ascertained to be a rational choice. For example, the nomination of "car of the year 1998 (in Europe)" certainly had a positive influence on the sales of Alfa 156. Ford Focus received this title for the year 1999, which will undoubtedly further accelerate the success of new Focus. An overseas example is the Total Quality Award (Strategic Vision 1998) that is based on the responses of almost 50.000 new vehicle buyers – who have owned their vehicles at least 90 days - in the USA. The Total Value Index is calculated according to owners' complete experience with their cars and to the positive economic consequences buyers believe came with their choice. Thus, the Total Quality Award is based rather on quality and rationality than on more abstract attributes (like personality or symbolic value). In 1998, the overall winner was Volvo, followed by Lexus, Volkswagen, BMW, Mercedes-Benz, and Saturn. What is interesting is that there were only three American brands in the top ten.

According to a term used in one interview, for instance Mercedes has a so-called high *meta value*. It is brought together with associations to high quality and distinction that goes with the name. In other words, consumers' perception of Mercedes is based on much more than the physical product itself actually offers. An example of a lower meta value is Toyota Corolla that has been popular in Finland, because it is good for an ordinary person,

for the middle-class. It is in a way very neutral car involving nothing special that would communicate high or even low status.

Consistency of a brand is another important issue related to the image. You can always recognize a Jaguar, for instance, from the viewpoint of design. Volvo has also always had a strong and consistent image in Sweden and other countries, but that not so clear anymore. New Volvo models does not necessarily have that specific Volvo look, but that is the question of individual tastes as well. Chrysler, in turn, has done the opposite. They have improved their inconsistent design and image with their recent models. A general opinion of the interviewees was that Japanese cars are best examples of products that lack a consistent image. Actually they do not have an image at all, or at least it is in many cases very unclear. They have changed their models and design almost with every new generation. However, for example Toyota seem to be on a better road now in this respect. They clearly communicate a certain common design language with their current models like Corolla and Avensis. In overall, a sudden attempt to change the image means also high risks, like shown in the following excerpt:

> *"Tatsuhide Hoshi (a Toyota designer) is one player in the Japanese car industry's newest high-risk game: creating daring designs that give carmakers an edge in a hypercompetitive arena. Toyota, Honda, Nissan, and others are overhauling styling procedures, hiring foreign designers, and spending big bucks to create a new image. Japanese carmakers were pretty risk-averse before... Now they are trying to make their models a smash hit or a smash failure."* (Business Week 21.9.1998)

One of the interviewees who is specialized in the area of image research, told us about two metaphors of the image. One is the *filter* metaphor. Image, cognitive plan, in people's minds is like a filter through which the messages received from the world are interpreted. A negative filter interprets a good message as "accident, good luck". A neutral message is perceived negatively and a bad one is a catastrophe. A positive filter, in turn, interprets a bad message as "everybody fails sometimes". A neutral message is positive, and a good message is already a reason for celebration. Another concept is the *funnel* metaphor. There an individual's schemas are like funnels gathering information from all over to a narrow, traditional channel. For instance, if a person has a negative image of some product, every new piece of information of that product goes through that negative funnel. If the

company wants to get rid of this negative image, it has to do something so radical that it falls outside the funnel.

An example of these metaphors is the new A-class from Mercedes. After all, their big problems soon after the launch of the model were often commented as "even Mercedes makes mistakes sometimes", by people with a positive filter of Mercedes. From another perspective, the new model was so different from traditional Mercedes cars that it didn't go through the traditional "Mercedes funnel". In other words, it was not actually a Mercedes "in the real meaning of the word" and thus did not do harm to the overall brand image of Mercedes.

In fashion industry it is relatively easy to change the brand image, because the product is mainly psychological. But for cars that are technically complex it is much more difficult. It also has a strong impact that the relationship between consumer and car is very strong and long-term in type in comparison to clothes. And the stronger the present image, the harder it is to be changed. The image of Skoda is a good example of that. The best car on the market today in terms of best quality to price relationship is according to various opinions indeed Skoda. However, they do not sell so well they should because the past image of a low-end car is a surprisingly strong burden for them. Skoda's problem may also be explained by rational behavior of consumers. Even though they know that Skoda would be an excellent "value for money" purchase, they do not choose it because of Skoda's low resale value (that again reflects the bad past image).

5.3.4 Country of Origin Influence on the Image

The country of origin influence on the car's image was stressed already in the first interviews. The home country of certain brands certainly affects their image, but how and why, that is another question. Like discussed in chapter 3.3.2, country of origin image is derived from the country image through cognitive and affective components. It is easy to agree that there exist many prejudices for example concerning Germany and German products. A person might experience both cognitive and affective responses towards German cars because he/she knows they are German. They may be regarded as safe, reliable and technically well made. A further argument can be made concerning values. A

consumer may feel sympathy for products that are consistent with his/her values. Therefore, while the Italians and the French are generally speaking more close to each other than to the Germans when talking about the nature of basic values, they also prefer Italian/French products to German ones. But with cars – as with any other products – the world is not so simple.

Like already discussed in chapter 3.3.2, an easier way to explain why French brands dominate French markets, Fiat Italian, Volvo Sweden, and German brands in Germany, is the issue of tariff barriers that is very familiar in international business. The countries having a strong own manufacturing of automobiles used to protect their domestic industry by imposing import restrictions and quotas on foreign cars. Because of the globalization and the acts of the European Union, for instance, the markets have become rather open for foreign manufacturers but traditions cannot be changed in a short time. Renault, for instance, was the first brand in France, and it is still a strong part of the French culture. Another obvious explanation for the dominance of domestic brands is the strong influence of domestic car industry on the whole structure of car sales – distribution, policies etc. - in each country in respect (except Finland).

According to interviews, "patriotism" surely affects car choice, and the strong localization has been a strong advantage for example for Ford. Concerning our target countries, the Swedes are seen to be quite patriotic, they will always be going for Volvo. The French in turn do not necessarily prefer French cars because of their nationality, they are just more easily available and the domestic car industry is big, was one French comment. The Germans, in turn, value domestic products at least in the case of so-called technical products, like cars. All in all, it has to be however summarized that there is not necessarily any strong patriotic feelings involved in consumers' attitudes towards cars. This means that at least not consciously. There are often other reasons explaining consumers' seemingly "patriotic behavior", like was described in one German interview:

> *"The majority of German consumers is slightly chauvinistic when it comes to car's original nationality. They will not (consciously and openly) reject other (e.g. overseas) brands for political or nationalistic reasons but rather for their quality and prestige which are perceived to be lower than in German cars."*

Considering our target countries, the Japanese brands are an interesting example. They have to overcome many prejudices that are connected to them due to being Japanese. For example in Sweden, as heard in one interview, people do not like to buy Japanese cars because "they are afraid of what their neighbors would say". In France, rationality is an attribute related to Japanese products but in general, French do not like Japanese cars there either. In Italy the case is however quite different. Japanese cars have a very different image – possibly a slightly better one - in Italy than elsewhere in the continental Europe, because they entered the markets very late (Nissan was first in 1988), due to the import restrictions. Thus, they did not have to struggle with the old image of low-quality Japanese cars. The reputation of Japanese cars is rather positive also in Finland where they have traditionally possessed remarkable market shares.

A fact that was stressed in one interview was that national brands, for example in Germany, mark a sort of automobile standard to which other brands, like Japanese ones, are compared. Therefore, Japanese cars have experienced hard times in Germany competing against domestic brands that are highly valued by German consumers in terms of quality, performance and design.

5.3.5 Car Culture and the Role of Car

The nature of car culture and the role of cars in society in overall have naturally a strong impact on consumers' perception of cars. For example, Toiskallio (1996) has discussed the collective car experience that affects the status of cars in society. It is clear that car today is a self-evident every-day object. For most people it is something that is useful, something they have to live their daily life with. Cars have become so important that they might even be regarded as living organisms. We may quote one interviewee: "Car is like an extension of the body, me car, when I step on the pedal it is me that is moving, not the car." Thus, car has became an important part of the culture and society. In every country there some particular car brands that have established themselves a strong mental status in consumers' minds. For instance Volvo has been a fundamental part of the Swedish culture. It is a symbol of Swedish mentality - safe and reliable -, something that people can rely on.

The relationship between a man and a car differs in different countries according to characteristics of the surroundings; e.g. masculine culture, inside/outside culture and city size. An interesting note was made by one person: The role of a car as a status symbol is emphasized especially in smaller cities, because there it is easier to be visible and to show one's own position. The existing traffic structure and culture is naturally also a strong influencing factor behind the role of the car.

What will be the future of cars? Are people coming more dependent on them? As stated in some interviews, one concrete aspect in the future will be the increase of fitness activities in Western societies. This is related to the use of car as well, because almost all the activities are at the present arranged so that the car is a necessity. One person's opinion was that cars as products have become estranged from the street scale, they are too big. For example a bicycle is a well actualized minimal product that is close to an ideal vehicle that people need to move around, not to mention the ecological problems created by the car industry. But there are no easy solutions for that. It can be asked why large cars have to be built. On the one hand, we need to drive slow and short distances in cities, but on the other hand, we have also fast highways. The distances for example in Finland are long and even though the public transportation works relatively well, it cannot actually compete with personal cars. But it is evident that the present situation will not be the best one in long term. Cars will very likely be somewhat different in the future, responding to different needs than they do at the time. In addition, the nature of personal transportation can alter. It was predicted by some interviewees that for example leasing and cooperative motoring may be more appealing modes of transportation in the future.

5.4 Adoption of New Cars

We have now created a general picture of our target countries and the tools of interpreting consumers' perception of cars. Our next step is to investigate how new cars – or new design – is adopted in our target countries. In other words, what are the differences of people's openness to new ideas according to cultural and value studies we have discussed in this paper?

5.4.1 Combining Schwartz's Theory and Hofstede's Classifications

According to an opinion of one interviewee, Schwartz's concept is based on real-life values. On the basis of wide research material, Schwartz has formed ten principal value type categories that were already introduced in chapter 2.2.4 and can be seen again in figure 13. The horizontal axis - openness to change versus conservation - is the central issue we are now focusing. With this idea we may describe how consumers perceive and react to new cars or modifications, especially if they differ clearly from previous models for instance in terms of design. Thus, a person with an emphasis on value types of self-direction, stimulation, hedonism, universalism and achievement are expected to have more positive attitudes towards the change than consumers with values of tradition, conformity, security, power and benevolence.

We take a step back and see how Schwartz have decided these main value types. The values in the following list are the individual values (terminal and instrumental) included in each category (Schwartz 1992, 24):

Tradition;	respect for tradition, devout, detachment, accepting portion in life, moderate, humble.
Conformity;	obedient, honor parents, self discipline, politeness.
Security;	national security, sense of belonging, reciprocation of favors, clean, social order, family security.
Power;	social power, authority, wealth, social recognition, preserving public image.
Achievement;	influential, ambitious, successful, capable, intelligent.
Hedonism;	pleasure, enjoying life.
Stimulation;	exciting life, varied life, daring.
Self-direction;	freedom, independent, curious, creativity, choosing own goals, self respect.
Universalism;	equality, broadminded, inner harmony, unity with nature, protecting environment, social justice, world at piece, world of beauty, wisdom.
Benevolence;	spiritual life, forgiving, honest, helpful, loyal, responsible, meaning in life, mature love, true friendship.

Considering these individual values, we can try to link them with the characteristics of Hofstede's (1978) classification of cultures. The values of countries having a high individualism index correspond clearly to the areas of self-direction, stimulation and hedonism (thus, the individual values in Hofstede's and Schwartz's categories are congruent). High power distance countries, in turn, share values related to power and achievement. Furthermore, high uncertainty avoidance seems to be close to the areas of

tradition, conformity and security. Instead, concerning the issue of masculinity, there is no clear connection to Schwartz's fields, for which reason we exclude it from our synthesis. Figure 13 shows this combination of Schwartz's value types and Hofstede's classifications.

Figure 13. Combination of Schwartz's Theory and Hofstede's PDI, IDV & UAI Indexes

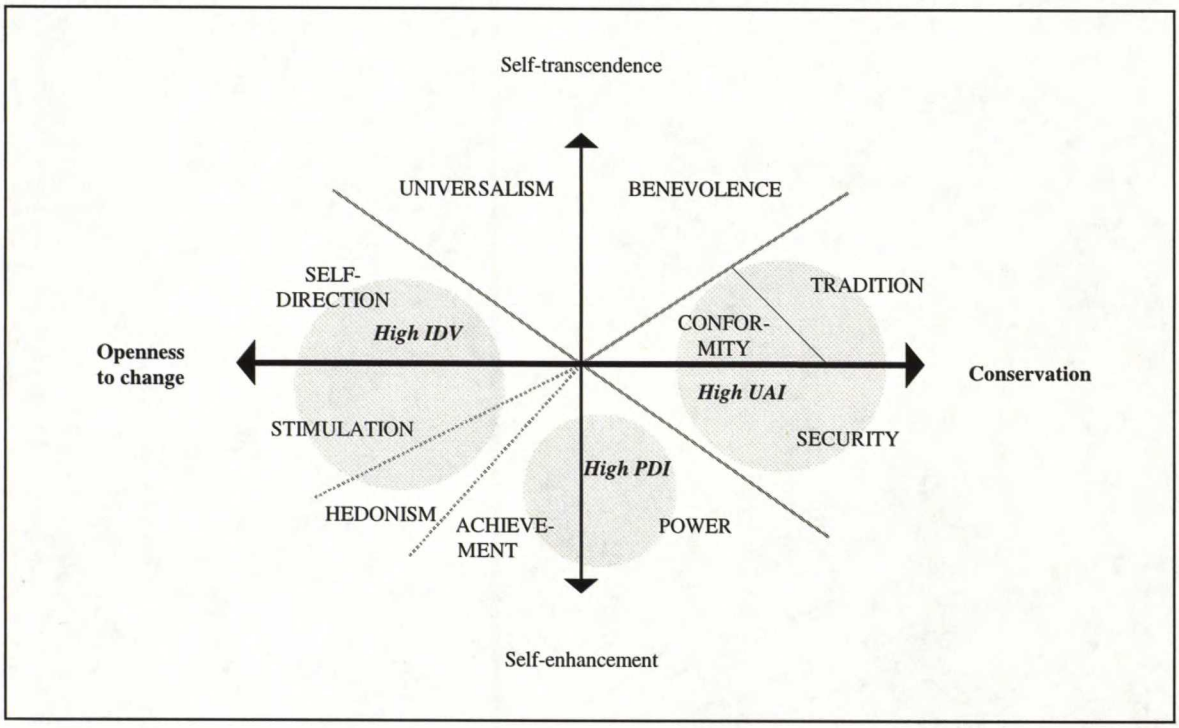
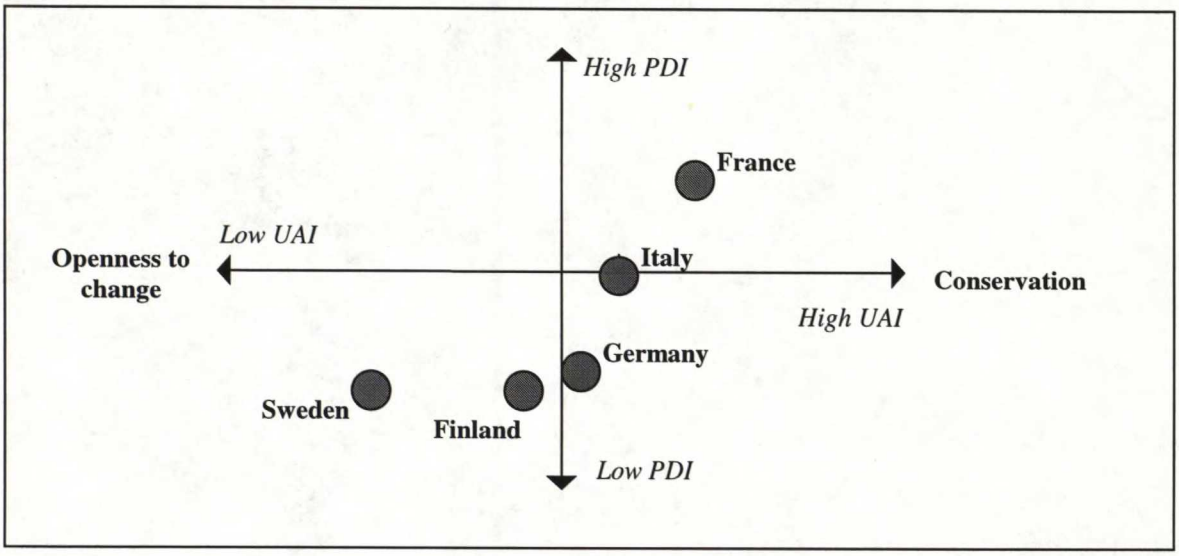


Figure 14, in turn, is based on the differences of uncertainty avoidance index and power distance index among our target countries. Of Hofstede's classifications, these two dimensions were the ones that clearly differed in these countries. Furthermore, if we make an interpretation that high uncertainty avoidance is congruent to conservation, we can conclude that the Swedes are more open to change that the French. But is that really so? It is supposed that the situation depends on a product in question, on person's individual values, on the context, and so on. For example the Germans, as commented by one interviewee, are definitely open to new ideas of any sort if they only seem interesting, relevant and credible to them. Of course.

Figure 14. Openness to Change in the Target Countries



We may assume that this is a proper generalization but its use has to be well thought and justified. In the interviews, the opinions both supported this theory and were against it. For example, it was stated that in Finland the present time is strongly supported and modern innovations are accepted fast. It is easy to agree on that, and it seems to fit nicely in our figure. But it is assumed that for the Finns, the adoption of new things means usually the adoption of new technologies, whereas in France and Italy, people pay more attention to aesthetic and fashion-type modifications in products.

Moreover, a counter argument towards our idea was made by a designer having a strong experience of Italy. He was saying that "Italians want to be modern and don't want to look backwards, they do things now." He added that "In Scandinavia people feel like they are part of a continuous story, and they are conscious about their heritage. Scandinavia has a sort of modern nostalgia, the fifties design became a sort of icon of a certain way of living, something which was right and good. Several products from that period are still in production. 99% of the Italian design has gone out, they were not created as classics. They have lost their relevance because they were so strongly made for that moment of time." Thus, the reality is never unequivocal.

5.4.2 Affinity to New Ideas

Our next step is to take a short look on the process of adopting new ideas by using the analysis of Samli (1995, 40-48) that has been done on the basis of cultural studies. This was already introduced in table 6 in chapter 2.3.3.

First, the focus is on Hofstede's classifications. In individualistic societies new ideas are gained by individual search, whereas in collectivistic ones they come from the group. So, it is assumed that since all of our countries seem to be individualistic in nature, we could state that the new ideas are at the first stage created by consumer's individual search. In terms of power distance, new ideas may be used to enhance power gaps (e.g. in France) or to eliminate them (e.g. in Sweden and in Finland). In risk diversion societies there is affinity to new ideas in the areas of risk reduction, uncertainty avoidance e.g. in France and in Italy). Finally, in masculine societies there is more reliance on self sought ideas, in feminine societies on interactive influences (e.g. in Sweden and in Finland).

In Riesman's inner directed countries, new ideas are all perceived by cognitive influences from own efforts. People are open to new ideas if they make sense from the perspective of individual logic. In other directed societies, new ideas are all perceived by cognitive influences from others. In other words, consumers are open to new ideas if they are accepted by others. Concerning tradition directed countries, new ideas are accepted if they penetrate affective influences (e.g. in France and in Italy?). Openness to new ideas is higher if they are consistent with traditions.

In Hall's high context countries new ideas come from outsiders, particularly opinion leaders (e.g. in France), whereas in low context countries new ideas are part of cognitive influences perceived from print media and written literature (e.g. in Germany).

5.4.3 Opinion Leaders & Adopters

It is easier to describe the adoption of new products, cars in this case, with the concept of opinion leaders and adopters, than to try to find something practical from the previously made generalizations of target country differences. In addition, in interviews the leaders-

adopters issue was often discussed. With opinion leaders we mean consumers who first react to new cars by purchasing them. Then, according to their experiences, adopters form opinions of the car and whether approach or avoid it. Therefore, it is important also for manufacturers to offer good first experiences to opinion leaders. Like we heard in one advertising agency: "We work consistently after the opinion leaders in each product group. When they are convinced that the product is good, it is also much easier to convince that to the larger public."

In Italian car market, opinion makers make approximately 10% of the population. This was an estimate of one marketing expert. They are usually city people with high social visibility, educated, not necessarily rich but wealthy, and want different and distinctive products. Opinion makers follow trends, they want new things and new design. Design aspect is very important to them. Audi has been a good example of a successful car among the opinion leaders in Italy. However, not all new is accepted. It has to be close to the Italian concept of beauty and harmony. Followers then search for reassurance, their car has to be appreciated and accepted by others. For example Fiat is an easy choice for them. They buy it because it is the most accepted car brand, not especially because it is Italian. There is no image risk involved when buying a Fiat that has built also an extremely good service and distribution chain in Italy. The image of the car is thus more important than the design to the followers.

This process of adopting new products is connected to the idea that new innovations are born outside the main stream. This fact was actually proved by several interviewees. People often are first suspicious towards new innovations but gradually certain attributes of them are resorbed - accepted - and moved into general production.

If considering the theme of leaders and adopters in our target countries, we could compare for example Italy and Finland. As a result of the interviews, it is supposed that the group of opinion leaders is more visible in Italy than in Finland, they stand out from the crowd more clearly. In Finland the public is generally more homogenous. In this respect, Germany and Sweden are probably more closer to Finland, and France to Italy. This difference is partly explained by the earlier discussed power distance aspect, but also with other cultural theories and their relation to the affinity to new ideas that was shortly

presented in the previous chapter. For example in France that is a high context country according to Hall's description, new ideas come from outsiders, i.e. from opinion leaders. But in Germany, new ideas more a part of cognitive influences perceived for instance from car test reports and technical advertisements. Again, this is more or less a question of making rough generalizations. Of course the decision of car purchase is always eventually made on individual reasons.

However, as a summary we may repeat that the difference between opinion leaders and adopters varies in our target countries. The gap is probably bigger in France and Italy than in Finland. This is perhaps proved by the fact that new technical innovations are very rapidly adopted by the large public in Finland, whereas in Italy they are considered to be a privilege of some limited consumer group for rather a long time. Mobile phones may have been a good example of that. They were adopted rather quickly by the large public in Finland, whereas their distribution in Italy took place much more slowly.

The idea of leaders and adopters can be further developed to consist of a greater variety of customer segments. For example, one company that was visited during the project had categorized people into six different segments according to their holiday spending priorities. Escapers (about 5% of the population) are people who like to go camping to wild nature. Takers (15%) pull house trailers in the back their cars and drive around places. Preservers (30%) like to make a traditional cruise with an old romantic ocean steam ship. Makers (30%), in turn, enjoy the same but in a more modern way with a fancy cruiser. Changers (15%) might do it with a sailing ship, and seekers (5%) could experience a flight with an air ship. Escapers tend to be avoiders of everything unusual, takers and preservers are more or less rigid, makers and changers would like to develop things, and seekers to further reform them. A same kind of categorization could be made also to concern potential segments of car buyers.

Now we have discussed how adoption of new products may be explained by using some theoretical tools as a background support. However, it has to be remembered that this short representation remained rather superficial. Thus, it is very easy to make several counter arguments against the conclusions we made, and their relevance to real-life

context. But more than to deeply analyze the adoption of new products, the role of this chapter was to provide the reader with a brief example of product perception.

5.5 Contribution of Product Design

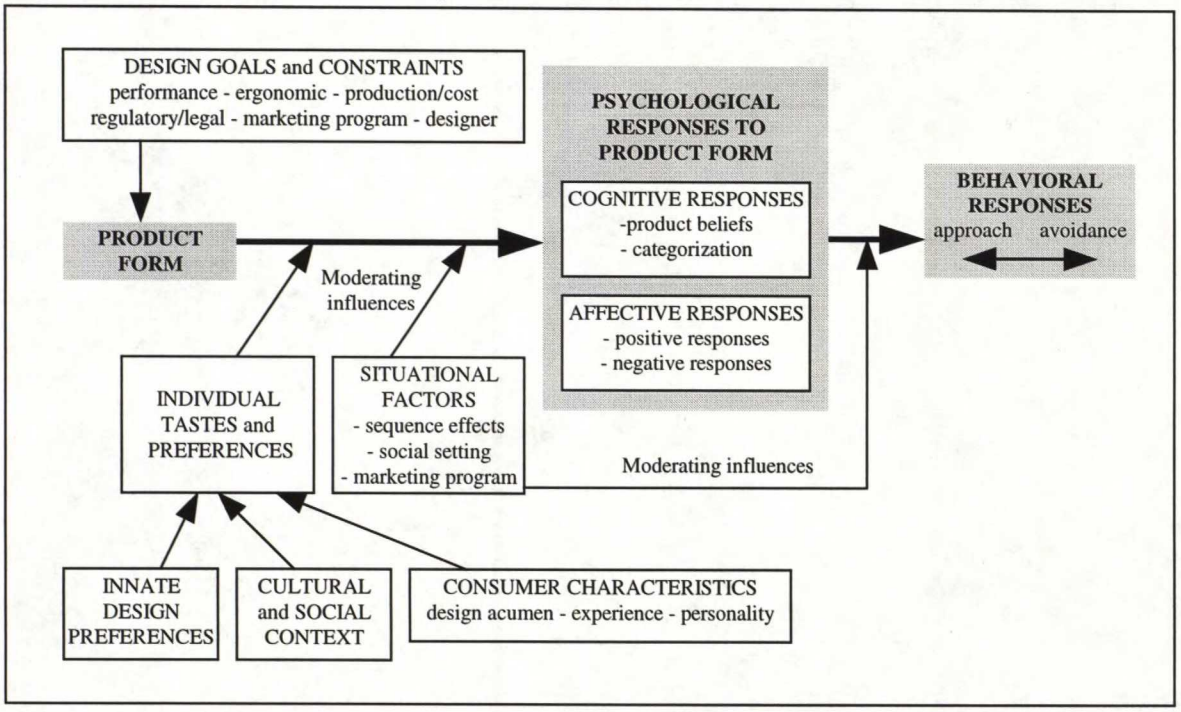
> *"Form does not exist as an objective subject. It is an interpretation of a form that is produced by a process of experience."*
>
> *"Design is a way to express cultural lifestyles and values"*
>
> *"Good design is based on good communication between designer, company and suppliers."*
>
> *"Design still has an enormous potential as working as a tool for development. It is more than decoration, more that responding to market needs"*
>
> (comments of interviewees)

Our last step is to discuss the role of product design as an interpreter between consumers and products. First, we introduce a model that is very suitable for discussion of design's link to consumer behavior. Then, we move our focus merely on car design.

5.5.1 Link to Behavior - Bloch's Model

We will discuss the role of design in the relationship between consumer – values, or behavior in a broader sense - and product with the help of the usable model created by Bloch (1995). This model of consumer responses to product form can be seen in figure 15. It is one of the few attempts to develop a conceptual framework in marketing literature for the study of design

Figure 15. A Model of Consumer Responses to Product Form



Source: Bloch (1995, 17)

The first component - product form itself - represents a number of elements chosen and blended into a whole by the design team, or designer, to achieve a particular sensory effect. Product's form is a solution to a set of design goals and constraints. In many projects, target performance desired by the target segment and distributors is the central constraint. This includes for instance aesthetic, functional, technical and environmental aspects. Second, design constraints pertaining to ergonomics involve the matching of a product to the target user's capabilities to maximize safety, efficiency of use, and comfort. Production processes and manufacturing costs also influence the form of a product. Designers must choose materials and shapes that are consistent with these processes and costs. Regulatory and legal constraints are often the least flexible of all constraints faced by designers. Fifth, design constraints also stem from marketing program considerations, like the distribution plan. In addition, designers also provide constraints and objectives of their own in developing a product's form.

The product form then may elicit a variety of psychological responses from consumers including both cognitive and affective components. Of cognitive components, product-related beliefs mean that the form of a product affects consumers' beliefs about the product and brand as well. Product design may create or influence beliefs pertaining to

such characteristics as durability, reliability, technical sophistication, value for money, ease of use, prestige, etc. The concept of product categorization is another important type of cognitive response. Consumers try to comprehend a product by placing it within an existing category, which is based on the perceived similarity between that given product and examples of various product categories and sub-categories. Furthermore, perceptions of the product form evoke several affective responses from consumers, from aesthetic and other positive responses to negative affects.

Psychological responses to product form then naturally lead to behavioral responses that can be described as either approach or avoidance. Approach behavior reflects an attraction to a design and avoidance behavior the opposite of it. The approach behavior then may be completed by a purchase.

As shown in figure 15, consumer reactions are moderated by several variables like consumers' individual tastes and preferences. Product design that is congruent with them is evaluated positively, whereas low congruence creates negative reactions. Some preferences appear to be innate or at least acquired early in life. It is suggested that humans share some innate tastes and preferences that dictate the perception of certain design elements, into which we do not go more deeply in this paper. Preferences for product form are also shaped by cultural and social forces, and the acceptance of a particular style by a culture may have much to do with that culture's values.

Designer has to be well aware of the culture and customs of using the product in the target countries. In one of our interviews we heard an interesting example of a case of designing high-speed trains:

> *"In Germany natural materials - wood, glass, steel, stone - were tried to be introduced into interior design, because they are part of the new German travelling environment. French, in turn, are totally different. They see train as an extension of the subway, whereas the Germans consider it as a competitor to car and airplane. So, the Germans have a different philosophy, and therefore it is important to offer them a higher quality environment for travel. The Japanese think the same way as the French. In Japan, elements of Japanese tradition and environment were used in design with the assistance of Japanese partners. But people didn't*

accept that, because for the Japanese a train has to be functional and carry as much people as possible (as an extension of subway)."

The potential impact of social class, age, region, and other market segments should be recognized in creation of individual's design preferences. Third major point having influence on them, are consumer characteristics. Of course, even within a culture or social setting, people vary in their tastes and preferences. Some of the causes of these variations are design acumen, prior experience, and personality. Design acumen is something with which certain people are born. They make quicker sensory connections and exhibit more sophisticated preferences regarding the design of products than do people with little design acumen. But the taste is also cultivated by experience; education, exposure to beautiful things, and motivation. Moreover, individual personality factors - like romanticism or need for uniqueness - can potentially influence design tastes and preferences.

Finally, situational variables moderate both psychological and behavioral responses. Sequence effect means that in many instances, a product serves as one component of a consumer's larger assortment of goods, and reactions to a specific product design can be modified by perceptions of fit with this assortment. The social setting in which a design is encountered is another moderator. This means that the persons who are present during the purchase or display may help shape a consumer's reactions to that object. Third, product reactions may also be shaped by the marketing program that surrounds the product. For example, images created by advertising moderate the consumer's perception of some particular product.

5.5.2 Car Design

"Styling will become the most important point for selling cars... Now, people pay attention to the distinctiveness of the design." (Yoshikazu Hanawa, president of Nissan Motor Co., Business Week 21.9.1998)

Design has an essential impact on the perception that consumers have of cars. It affects the perspective from which cars are looked. Like Berry (1998, 37) notes, design can at its best intensify the emotional relationship between the car and the user. In this chapter, we will

first discuss cars' product development process. Then we focus on design goals and constraints on car design, psychological responses to car design, and the moderating influences of these responses - especially the cultural context.

The automobile is a very important cultural phenomenon and cars have been forerunners also in the design scene. Manufacturers have put a strong emphasis on design already since the twenties. Ford that was producing its famous T-model, was not stressing design so much at the beginning, which was related to an impression that it is only technology that changes and can be improved, not design. T-Ford faced however a strong competition and Chrysler started to overcome them. Also Ford had to change their approach, and the strong trend of design an automobile industry began.

Product Development Process and Design Life Cycles

All the manufacturers are trying to reduce the time to market. The development time of cars used to be from five to six years, and now it is possible to do the same even in less than two years. Generally, according to the information received from the interviews, the development time is three years and a half.

Nonaka & Takeuchi (1995, 211) have compared the Japanese and the European product development of high-end automobiles. In Europe the *objective* is pursuit of superior performances and in Japan adaptation to changing needs. This is also clearly shown in the fact that successive models from some Japanese manufacturer rarely bear so strong common characteristics as most of the Europeans do. Function forms the basis of *product appeal* in Europe, whereas in Japan it is based on image and quality. The image sounds a bit peculiar, while our experience of Japanese cars was that they are more impersonal than European cars. This is of course a question of how image is understood in this context. Concerning the *product concept creations*, for European producers is typical that they are adhered to a clear-cut decision at the initial stage throughout the rest of the process. Japanese, in turn, have the concept vague at the initial stage and the modify it in ensuring stages an accordance with changes in needs. During the process, the *flow of activities* is based on a overlapping approach - so, different functions like engineering, design and marketing are conducted simultaneously - in Japan, but in Europe the approach is more

sequential. Related to this, the European *ensuing process* leans on specific design targets that are fixed at the initial stage and pursued under a strict division of labor. In Japan it is managed through close operation among all departments that all are concerned during the development.

The European *organization* is usually set according to function, meaning strong project leaders and limited authority. As was heard in interviews, it is often the case that within many European car manufacturers designers are given very specific responsibilities; one designer designs basically steering wheels, one seats, and so forth. In Japan, according to Nonaka & Takeuchi, the process is arranged as a type of matrix or project team organization having a project leader with authority over the entire process from planning to production to sales. In this type of organization also the designers are entitled to the entire development of exterior, interior, or both. Finally, the authors name some *strengths* and *weaknesses* of European and Japanese style product development. The European style is conducive to a relentless pursuit of superior performance, function, and high quality, but it also means longer lead times and high development costs. In Japanese model, lead times are shorter, quality also high, and the development is attuned to needs in the market. However, there is a risk of compromise on a low level, meaning that the development may not be conducive to an all-out pursuit of superior performance.

The phenomenon of concept cars - i.e. unique cars that are made for car exhibition purposes - is very interesting in terms of design. We were told that Renault was the first manufacturer to introduce concept cars. Moreover, they are usually the first on the market with new innovations, put huge investments in research and launch new models often and take high risks with them, like with Espace and Twingo. (Espace was heard to be actually a project of Matra that proposed it first for Peugeot. They did not accept it, but Renault did, and it became a huge success.)

This leads us to an issue of car design life cycles. It is assumed that design modifications today take place more frequently than they did in the past years. This is a question of both technical aging - the fast technical development means that products are getting older in a short time - and fashion aging. Considering fashion aging, companies are naturally doing it on purpose. Manufacturers are chasing market shares. If one is making something new,

others have to follow, and cars loose value because they become old fashioned, not because they do not work. One of the interviewees described that car design functions with same dynamics as fashion; old attributes are used in a new context. This could be seen for instance, in new Toyotas (Corolla) that have recycled some elements - round head lights, shaped hood - from the past decades. Another opinion was that angular shaped cars will come back. "This is due to the world full of contrasts; round and square, black and white. We cannot see anything without contrasts, and it is common for all cultures that our knowledge is based on them." All in all, as Berry (1998) says, there is good reason to believe that elements of the past will continue to make their way into car designs. He adds that the 1950s and '60s were arguably the most exciting period in car design, which is why designers look to the '50s and '60s for design cues.

The constantly accelerating change of environment inevitably affects life cycles. While the surrounding world is changing rapidly, the product that literally stays the same, becomes old very soon. Therefore, already to "stay the same" requires constant modifications in order to correspond the changing environment, as was described by one interviewee.

However, there is a bit of new situation now. The responsibility towards our planet has increased, was a general statement in several interviews. This has to do partly with ecological thinking, but people have also come to prefer to invest in products with long life-cycles. The throw-away kind of situation has been replaced by the willingness to live with the products, and this is a relatively sound situation. The first company to guarantee a life cycle of thirty years would possibly gain huge market shares, but this is a nature of competition no one has dared to go into. Ten years ago cars were rusted only after two or three years, now almost every manufacturer offers a rust guarantee for ten years. A car that could last for fifty years could probably be produced, but the engine is a problem. A more suitable solution from ecological perspective should be found. All the manufacturers are undoubtedly struggling hard around this question, and we have already heard many promising examples of those hybrid and fuel cell engines. According to an interesting comment, it is sure that we will see especially small companies having a will to change the structure of the car business. The role of the designer in this context is to design more attractive cars that will last aesthetically a longer time.

Goals and Constraints for Car Design

The fashion design has become more and more diversified, but car design is standardized more and more, commented one interviewee. This naturally depends on the perspective from which the issue is looked, but we can easily agree to that statement in a sense that there has not been anything that radical in car design scene lately. All the goals and constraints set on design have been conducive to that fact.

First of all, the target performance is a strong constraining factor. Car is a big purchase, and there is a strong need for a rational decision. Therefore, design has to be somehow moderate, manufacturers are probably not willing to take too big risks with that. Also the brand image affects naturally design a lot. The design has to communicate the status that the manufacturer wants to get connected to the brand as a whole and to specific models. New car should also be consistent to the whole product line of the manufacturer. Mercedes is probably one of the best example of consistent looking vehicles, whereas the Japanese cars have usually been very inconsistent in their design. This has also much to do with the different characteristics of Japanese and European consumers. The Japanese clients may look for more radical modifications in cars, they are less concerned of unique characteristics differentiating brands from each others.

All in all, personification has became more important in cars, but the basic product is very standardized. The difficulties with personification are created by the structure of car industry: Investments are huge, and the bigger degree of standardization means gains in production costs. However, all the manufacturers have to operate on a global basis, and taste differences have to be taken into account. Already in our target countries, as noted in this paper, the values and tastes - and further the entire perception of cars - differ rather radically in many cases. This causes constraints and compromises for design.

In addition, ergonomic demands have direct influence on design. They involve the matching of a car to the target user's capabilities to maximize safety, efficiency of use, and comfort. First of all, there are several regulatory constraints set by safety issues, traffic regulations etc. Another aspect is naturally physics and human anatomy. Cars have to be designed in consideration of their best possible convenience for users. Related to

ergonomics, the different manners of use, the car culture, and the role of the car in different countries are issues that should be thought about. A Finn probably sees and uses the car differently from an Italian. It is important to know for which purposes - for shopping, for driving to work, for going on a holiday - the customers eventually use their cars.

Regarding production and costs, technical and technological issues put a lot of constraints for design. Because of them, many compromises has to be done in product design. One of our interviewees talked about rituals. The general form of present cars is like ritualized, the "right" design has become authorized, the basic solutions are accomplished in a standardized way. This is of course very much connected to regulations of certain safety issues, for instance, and also to several standards in the industry. It would demand huge investments to change the production from standard cars to something radically new. In addition, the current car is often said to be close to ideal according to technical and functional tests. However, it is also true that we are used to the current type of automobile, and therefore it is very hard to imagine it as a something very different. Probably the car would not look like it does now, if it was invented today.

The opinion of one interviewee was that when CAD (Computer Aided Design) technology was introduced in the area of car design, this at first brought more straight angles to cars. This new technology had many limits for design during its early phases, but it offered so remarkable assistance – saving time and money – that it could not be ignored. All in all, the advanced design tools have radically changed the nature of car development. By using 3-D digital design manufacturers are able to shorten their production cycles, with resulting lower costs and quicker time-to-market.

Besides CAD, there are other solutions based on a three-dimensional design. Of them, DMU, CATIA, and CATWeb should be mentioned. A Three-Dimensional Digital Mockup (DMU) can make all phases of car development more efficient: The design phase is simplified, engineering is more productive, testing cycles are shortened, and problems can be identified at an early stage. Furthermore, the Computer-Aided Tridimensional Interactive Application (CATIA) is used by the vast majority of car manufacturers today. It offers the ability to introduce changes relatively late in the product development cycle,

as well as features that bring the final customer closer to the company – e.g. by test driving a car through virtual reality or configuring it in a dealer's showroom. CATWeb takes this solution a step further by combining the efficiency of digital prototyping with the collaborative power of the Internet. With digital prototyping and effective data management, for example Chrysler saved at least $80 million during one car program development by designing and engineering everything with CATIA and reduced development time by eight months. (International Herald Tribune 14.12.1998)

There is also a great variety of different regulatory and legal constraints for design concerning safety regulations, environmental laws (emission limits etc.), and so on. These just have to be adhered to, which naturally reduces the number of possible design alternatives. It is easy to imagine that the designers and manufacturers of cars have wild visions of a future car in their minds, but most of them surely have problems in fitting into the tight regulations set for cars. They affect the design both directly an indirectly (e.g. regulations support certain types of engines, which further limits the number of design variations.)

> *"A car designer is not an artist. The shape of the product has to be developed also in the context of marketing and technological demands. Furthermore, designer has to be a problem solver, a bank of ideas, a solution provider, not a handicraft artisan who just does the design and puts the name on the product."* (comment of one interviewee)

Designers have constraints and objectives - professional goals and desires for self expression - of their own. Like stated by one interviewed person, aesthetic feeling and logical sense are combined in design. A car designer is allowed to use his/her creativity, but he/she also has to know by experience how the normal driver experiences the driving. The possibilities to use creativity depend very much on the manufacturer. Alfa Romeo was named as a good example of a company where are innovative designers at the present. It is certainly easy to notice if we look the new Alfas (156 and 166), and compare them with their predecessors.

The outcome of a German designer is different from that of a French, was one comment. If this is true or not, is very difficult to prove. So are the attributes making a car look like

German or French too. Manufacturers use designers from different countries, and many designers are doing work for many different brands. For example, famous Italian car design companies Pininfarina, Bertone and Italdesign can work basically together with all the world's manufacturers.

Psychological Responses to Car Design - Perception of Car

On the French market, there is at the moment a competition between Peugeot 206 and Renault Clio on a big market segment. Their price is about the same. Thus, the only actual differentiation is made by the design - aggressive (206) versus organic (Clio) design. So, design has a strong role in the formation of consumers' psychological responses to cars, i.e. their perception of cars.

Bloch (1995, 19) writes that there is some debate whether product-related beliefs derive from holistic visual perceptions of the product's form (supported e.g. by Gestalt psychologists) or from linear processing of one certain design element at time - from atomistic perceptions. Thus, whether a person comprehends the form of an automobile as a complete entity or as a collection of tires, fenders, headlights etc. The author states that one way to resolve these two perspectives is to assume that both holistic and atomistic processing occur: The product may first be perceived as a whole, and then if the form warrants further processing, the individual elements may become salient. Anyway, car design affects consumer's beliefs about the particular car and the whole brand. It may create or influence beliefs pertaining to such characteristics as reliability, high quality, easy to drive, expensive, and so on.

When a new car model is launched, consumers cognitively categorize it on a basis of its form and consumers' prior knowledge of different car segments. Bloch (1995, 20) gives an example of that:

> *"A consumer first encountering an Infiniti Q-40 could categorize the car as a luxury sports sedan because of its design overlap with the Jaguar XJ-6 that has long exemplified this class of automobile."*

Thus, because of consumers' tendency to categorize new cars according to their prior knowledge, it is possible that design does not communicate the actual attributes of a new car.

In addition to these cognitive responses, consumers have also affective - often subconscious - attitudes towards design. Ford KA creates undoubtedly many kinds of affective responses due to its rather radical look: Some people like it a lot, others certainly do not. Affective responses may be in response to the overall form or may relate to individual design elements: A car buyer, for instance, may like the appearance of a new car except for the design of its aluminum wheels (Bloch 1995, 20). The perception of car - cognitive and affective responses - lead then to behavioral responses. Consumers either approach a new car - evaluate advertisements, go to see it, test drive it... - or avoid it. The approach response then possibly lead to purchase decision, assuming that other conditions further that.

Tastes and Preferences as Moderators of Consumer Response: Cultural Context

Cultural context has been one of the main themes throughout this study. It affects individual tastes and preferences of consumers and thus act as moderating influences on consumers' responses to car design. This is naturally noticed by the manufacturers. For example Japanese manufacturers have set up design offices in Europe to better respond to cultural differences in design preferences.

First, cultural context has influence on cognitive responses of product beliefs and categorization. Car cultures and the role of car, as well as the interpretation of different design aspects differ in our countries. The stylish Alfa 156 fits probably better in Italian than in Finnish taste. Furthermore, a simple form and clear lines may communicate high quality and technical superiority for Germans, but they are regarded as boring or uncomfortable by French consumers. Considering categorization, there are differences in comprehension of cars in different countries. For example, some aspects of design are related to luxury cars in one place, and to average level cars in another. It is assumed that "the standards of car design" in our target are strongly affected by domestic market leaders (Fiat in Italy, Volvo in Sweden...), to which new models are compared.

Affective responses, especially what comes to aesthetics, are also strongly related to the culture and thus to values of customers. In our target countries, there are clear differences between consumers' responses - should we say tastes - to design of cars. This was discussed in many interviews. The reasons for differences of tastes are of course many in number. For example, people in France and Italy have a different experience of design. It is a part of the culture that children are exposed e.g. to arts earlier and stronger than in Finland for instance. Thus, we may say that their taste - at least to a certain type of design - is more cultivated: They have more experience in that sense, which again is reflected in French consumer characteristics, in their tastes and preferences. So, this moderates further their responses to product design.

Tastes and Preferences as Moderators of Consumer Response: Consumer Characteristics

Bloch (1995, 23) quotes that consumers characteristics can be distinguished between cognitive and sensory innovativeness. Cognitively innovative consumers tend to be rational and enjoy finding out how things work. On the contrary, persons with high sensory innovativeness seek greater stimulation of their senses and emotions. In addition, sensory innovativeness is associated with visual processing and enjoyment of fantasy, whereas cognitive innovativeness encourages a taste for precision and intricacy in design, such as that found in high technology products. If we want to make generalizations, we may suppose that German consumers have more cognitive innovativeness, whereas affective innovativeness is probably more close to the characteristics of French people.

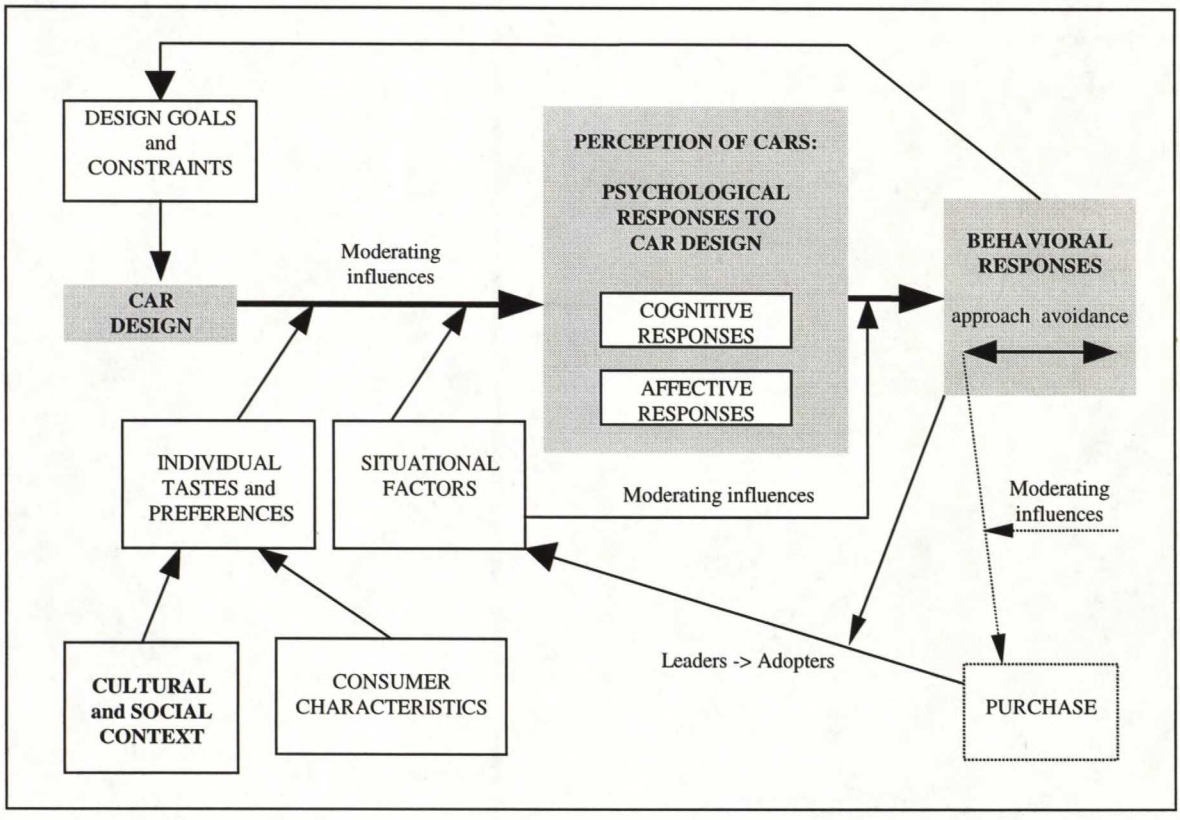
Situational Moderators of Consumer Response

Of situational moderators, social setting and marketing program are very relevant in the case of car. The persons that already have experiences of certain cars may help shape a consumer's reactions to that particular car. People tend to believe the opinions of their friends and other influential persons more than e.g. advertising. However, product reactions are naturally shaped also by the marketing that surrounds the product. Car adds in television have traditionally been playing with strong images that undoubtedly have a some kind of impact on consumers perception on cars.

Amendments to Bloch's Model

More than to criticize or to seek for flaws in Bloch's model, we now make some modifications to it in order to bring it closer to the framework and central issues of this particular study. This also works as a kind of summary if not only for this chapter but also for the whole paper and the issues discussed in it. This revised model is shown in figure 16.

Figure 16. Perception of Cars



First of all, consumers' behavioral responses – approach or avoidance – have direct effects on design goals and constraints. For example, if the model fails to attract enough consumers because of its design, manufactures has to take this into account with the new models and to set new performance goals and constraint for design. Similarly, a success affects design as well: Positive experiences and successful design elements may be reused in new models.

Behavioral responses of opinion leaders affect situational moderators of adopters. This is shown in the lower right corner of the figure 16. Leaders' approach or avoidance responses have influence on other people's situational factors – namely social setting – that thus moderate the car perception of these people. This does not necessarily require a purchase from the opinion leaders. Other responses – comments etc. – can already have a strong impact on the large public. Of course, if the approach response leads to a purchase decision, the influence is even stronger. The arrow from the approach response is drawn with a dashed line, because the distance between behavioral response – like showing an increased interest in a car – and purchase decision is usually relatively long. Only a small number of positive approaches eventually leads to a purchase. Furthermore, the decision making process is affected by other "moderating influences" like the financial situation of the buyer, the actual need for a car, and so on.

As we have noticed, factors influencing car design are various. Consumer behavior and values are reflected in consumer responses to cars and their design. It is interesting to see what the future will bring to the car design scene.

> *"The trend is towards new and innovative products that are destroying the traditional image of a car. There is a lot of effort from all the manufacturers (e.g. Renault) to find new concepts, not just new models. Evolution of the car industry follows the ecological and social aspects. Family values are important, and free time, leisure, sports and environment as well. Companies are trying to catch these trends. New comers like some Korean and Japanese producers have been very aggressive with that. German manufacturers, in turn, are much more traditional, even with new innovations like the navigation system. There are more and more unclassified products that still are aimed at niche markets but will be more popular in the future."* (Quote from one interview)

6. CONCLUSIONS

Finally, we make some conclusions on the basis of our discussion. In this chapter, a short summary of the paper will be presented together with the major findings of the study. Moreover, we present some managerial implications concerning consumer values in our target countries, as well as design and marketing issues related to cars. To conclude the study, chapter 6.3 then lists some suggestions for further research raised by this paper.

6.1 Summary and Findings

6.1.1 Summary

The paper started with the introduction chapter describing, among others, the background and objectives of the study. Chapter 2 presented some key issues from the wide area of consumer behavior. Different models to outline consumer behavior were shortly reviewed, after which the main focus was moved on consumer values. We discussed mainly the themes of instrumental and terminal values, means-end laddering, and Schwartz's value theory. Then we envisaged some past cultural studies and trends in consumers' behavior. Chapter 3 was about product and product image. Before handling the main theme of the chapter - different product perspectives - one example of variables affecting car choice was given. The rest of chapter 3 concentrated on products' overall image and on country of origin influence on the image. This theoretical analysis was collected together for a framework in chapter 4, where also the methodology of the study was presented.

Furthermore, chapter 5 contained the empirical part of the study. First, we described briefly our target countries in terms of their domestic car sales and industries to provide the reader with some useful background information. In addition, we reviewed the past cultural theories - primarily the one of Hofstede's - by connecting them to our interviews. As a result, we made some generalizations of consumer values and behavior in the target countries. Chapter 5.2 then presented some ideas of how cars can be viewed from different perspectives, and how the product perception - i.e. links between consumer

values and cars - may be modeled on the individual level. Also, we discussed the image of car brands, the country of origin influence, and car culture and the role of a car in our target countries. The next chapter presented an application of car perception and consumer behavior. It made some general conclusions of differences in adoption of new products (cars and car design) in our target countries. In the end, we discussed the contribution of design in the context of car perception.

6.1.2 Major Findings

The finding number one was that the area of consumer values and product perceptions is really complicated and wide. Therefore, all efforts to model the subject are more than welcomed to deepen our understanding about the complexity of the subject. But the models are naturally always just schematic attempts to picture it. It has to be recognized that the subject will never be fundamentally explained by any theories.

According to the interviews, the role of the car in the society is actually even more important than we imagined. This does not mean solely its practical weight, but above all the mental impact of car on cultures and consumers. Car is proved to be perhaps one of the most important instruments of communicating messages of own personality and status to other people. This has created a situation where most of the car brands and models hold a strong image to which certain values can be directly connected. Of course there are differences among car brands in this context, some have a strong identity (Mercedes, Audi…) and others a weaker one, or no identity at all.

Means-end laddering is an interesting tool in tracking the relationships between cars' attributes and consumers' values. Values have an effect on customers' perception of cars. That is evident but it is also hard to investigate. In addition to being seen as a means-end chained product, car can be viewed from utilitarian (sensorial), personification and symbolism perspectives. They are all very relevant in the case of automobile.

Regarding the differences in values and behavior of consumers in Finland, Sweden, France, Italy, and Germany, there surely exist many. Stereotypes can be derived from cultural studies and the numerous interviews within this project. These kind of

classifications are a good starting point for discussion, while they work fairly well on a general level. However, one should not fall into a trap by drawing hasty conclusions from the stereotypes. For instance, the differences in consumers' mentality and life are strongly divergent in each country, and not to mention on the individual level. Discrepancies between different provinces in France, between the North and South part of the Italy, between cities and countryside, are so notable that it is not reasonable to ignore them. Maybe Sweden and Finland are more homogeneous in that sense but there exist remarkable differences as well.

According to interviews, the country of origin influence on car perception - if considering "patriotism" - is perhaps weaker than was expected. Italians do not necessarily buy Fiat because it is an Italian brand but because it is an easy choice for them. However, for instance in Sweden Volvo is a strong part of the local culture, and it is certainly preferred by the Swedes due to its image of a Swedish car. Home country of the brand has influence on car's image, that is for sure. For example certain values are automatically related to German cars just for the reason they are German. Furthermore, we noticed that the image of Japanese cars varies clearly among our target countries. But most of all, we have to keep in mind one of the concrete realities in international business, import restrictions, distorting chances of particular manufacturers to compete successfully in certain markets. Of our target countries, Italy is the best example of a country that in the past used to impose strict import quotas on foreign automobiles in order to protect its domestic production.

There are also some generalizations based on consumers' values about the reactions of consumers to new products in different countries. On the basis of our analysis we may generalize for example that Finns are more open to new innovations than French. This is however not an ultimate truth, or even close to it. That is why we talked about the concept of opinion leaders and adopters. The gap between these two consumer groups varies in our target countries. For example, in Italy opinion leaders are more visible than in Finland. This means that new innovations (new design for example) are adopted rapidly by the general public in Finland, whereas in Italy the opinion leaders are encouraged to test new products long before the adopters. Like we found out, it is possible to identify individual

values and value types (both in Schwartz's theory and in cultural studies) that can be linked to consumers' receptivity to change or to new products.

Like was also noticed, the contribution of product design as a communicator of image and as a link between product and consumer values is a very central one. This is especially the case when considering cars and car design. It is far beyond of being just a neutral element. Instead, by design the car manufacturers are able to create very strong responses in consumers. The creation of car perception - consumers' responses to car design - was discussed with the help of Bloch's model. We found out that the influencing factors are many in number. In the case of cars, the cultural and social context, as well as consumer characteristics are the most important factors.

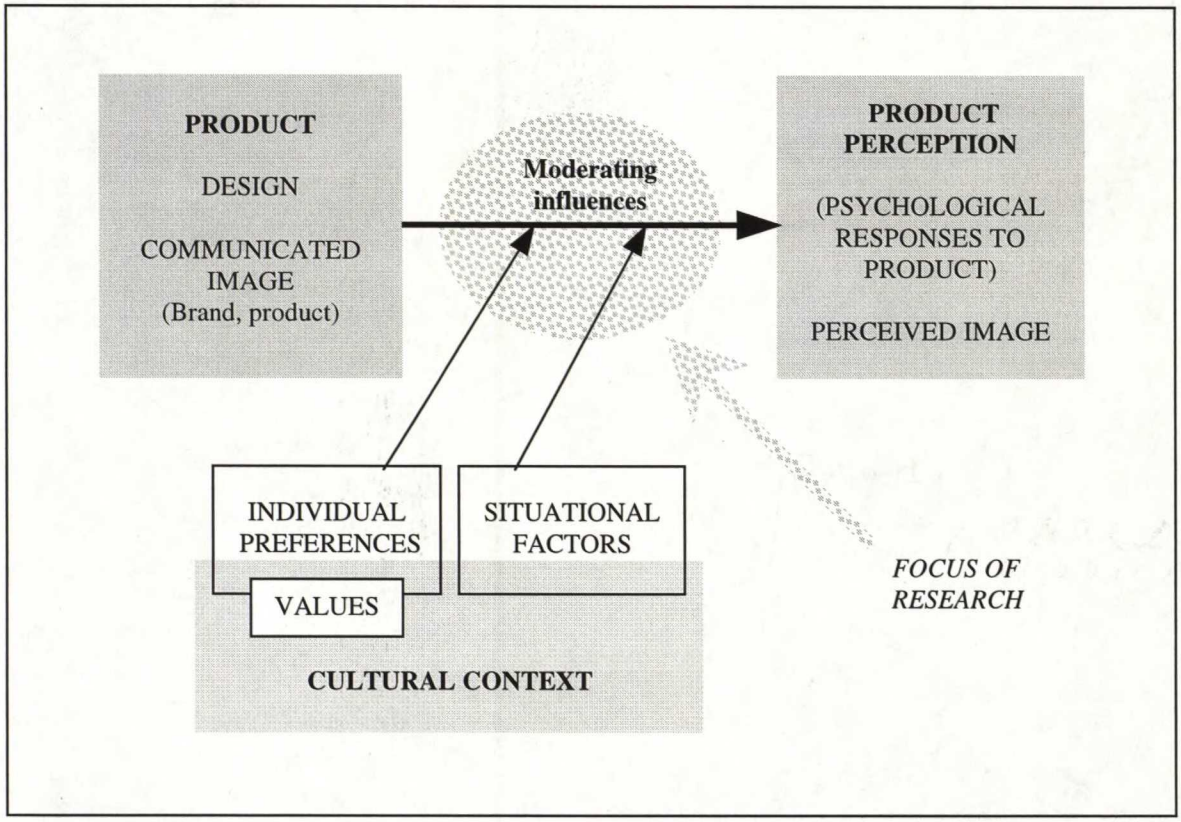
We also commented in several contexts the future of cars; what will be a car and its design like? This is an interesting question. It was a common opinion in several interviews that something remarkable will happen in any case. Whether it is a revolution of new fuel solutions, a more tight integration with communication technology, a radically different concept of car and driving, or something else, this is to be seen. Moreover, car design is already going through some new generations of development, and it is expected that something interesting will happen on that scene too.

If analyzing the interviews, there were actually no regular qualities (opinions, perspectives) exposed that could directly be connected to certain profession groups, for instance. Of course some general notions could be made: Designers tended to emphasize the role of design, researchers preferred conceptual thinking, marketing people focused more on "the field", and so forth. No systematic observations could have been made from interviewees' nationalities either, except from some single signals that whether supported those cultural stereotypes and qualities that have been widely discussed in this paper, or were contrary to them. The heterogeneous group of interviewees and varying interview themes did not make a systematic analysis possible, nor that was not the purpose of the interviews in the first place.

As a reminder of the prior goal of the study (to build a framework that would help us to gain a broad understanding of perceiving products - connections between consumer

behavior and products - and the role of product design), and to summarize the outcome of this paper, we have collected the key issues into figure 17.

Figure 17. Summary of Product Perception



This very simplified figure is close to Bloch's model. It explains how product perception – or consumers' psychological responses to products – may be formed. This concept is closely related to the image consumers perceive from the product. From product attributes, we have focused on design and (communicated) image that both are extremely crucial ones in most of the cases. Product itself would be perceived in an exactly same way by every consumer (or would it be perceived at all?), if there would be no moderating influences making perceptions different. These variables can be roughly divided into individual preferences and situational factors that however are often impossible to separate. In this study, we have discussed especially the role of values in consumers product perception. Another theme that has greatly interested us because its relevance to international business is the cultural context. Culture has a strong impact on consumers' behavior. We focused particularly on discussing how these wide issues may have

influence on product perception (dotted area in figure 17) by using cars and car design as examples, and five interesting European countries as target cultures.

Even though our focus was primarily on certain European countries, major part of the findings might very well be applicable to a wider – global - scope. Besides, we yet touched on the American and the Far Eastern markets in several contexts. Differences between Europe, America and Far East – considering consumer values, car perception, car culture, etc. – are presumably greater than they are among our target countries. First and foremost this is due to a large number of different cultural variables that moderate consumers' relationship to cars.

6.1.3 Were the Objectives of the Study Met?

To close the circle that was started at the beginning of the paper by introducing the purpose of the study, we return once more to our objectives. The goal of this study was to build a framework that would help to explain the complex relationships between consumers, their behavior (especially regarding values), and products. Thus, the objective was furthermore to gain a broad understanding of the connections between these issues and to discuss the role of product design in this context. Like presented with the figure 17, it is believed that these objectives were met. The paper built a conceptual framework, according to which we pictured relationships between consumers and products. A broad understanding was reached, even though it cannot be nothing else than only a partial view. Moreover, whether the linkages we tracked are eventually "right", is a question to which any easy answers cannot be found. What comes to the role of product design, we learned a lot of its relevance to certain product categories, and to marketing and business discussion as a whole. All in all, we found many good answers to our two main research questions.

Another (sub-)purpose was to bring the discussion of values, product perspectives and design into practice by presenting an example of how the adoption of new products may be viewed in our target countries. This presentation was rather brief and superficial but it hopefully deepened our understanding of product perception. With constant examples from our target countries, as well as from the car industry and the field of car design, a general outlook of them was formed to support the theoretical notices. Besides, we found

many interesting differences among Finland, Sweden, France, Italy, and Germany, concerning consumer values and behavior, car perception, as well as design preferences. This analysis too remained on a very general level, which was also our intention. In addition, the last of our three sub-questions, car image formation, was discussed from different perspectives.

However, we have to raise some words of criticism. Because of the complexity of the research subject, the eventual interpretation of product perception is always dependent on researcher's own view of world and his/her experience. It has to be also remembered that the professionals interviewees, whose comments were used in this paper, undoubtedly possess a good view on their respective areas of expertise, but their perspective is often still more or less distant from the "grass root level". By researching "ordinary" consumers who actually perceive products, we could have ended up with different conclusions. However, these questions tend to be contradictory, because there exist no ultimate truths or thorough answers to questions concerning such an abstract matter as consumer behavior.

6.1.4 Complements to Prior Research

It is essential to briefly summon up which complements this study brought to research debate of themes that were discussed especially at the first part of the paper. Regarding consumer behavior, values, cultural issues, product perspectives and image, as well as product design, some additional comments to prior research should be made. We may disengage ourselves from the case examples of cars and our five target countries, and monitor the findings on a more general level.

Due to the scope of this study, there was no new model developed to picture how consumer behavior could be identified. The basic comment on the existing theories is that different models are applicable to different fields, countries and situations. For instance, the outlines of Peter & Olson (1996), Chisnall (1995), Solomon (1992), etc. use slightly different categorizations, but we should not judge which is the most appropriate one. The fundamental idea of separating external effects (environment, culture...) on the behavior from person's individual reasons is an essential issue. However, it is very difficult to draw

a line between what in behavior is considered to be based on individual and what on external reasons. It may be more important to be able to make proper descriptions of how consumers are expected to behave in certain situations, and in this context, holistic models probably prove to be highly convenient means. It is believed that this study also brought new light to discussion of consumer behavior, especially related to product perception and product design.

Values and Lifestyles classifications (e.g. VALS) can surely be good tools in several occasions, once their use is well justified. However, it can be misleading and rather dangerous to use them in certain product areas without sufficient knowledge about the nature of that particular area; products, customers, habits, etc. The concept of instrumental and terminal values, in turn, is more general one. The reason behind it has been to build an universal categorization of values that consumers all over the world hold. The classification is very interesting but very difficult to use in practice, partly due to its artificial nature. Description of consumers' values can sometimes be fallacious, because it is impossible to know eventual motives behind individuals' conduct. We can yet easily agree on importance of values as a basis for behavior, but we cannot generalize too much peoples' individual perceptions. For example Niininen's (see table 3) examples of car models are most of all his personal views. Not everyone associates Opel Omega Caravan with self respect. This implies to means-end laddering. Namely, means-end-chain between attributes, consequences and values is hardly so simple that we could directly connect certain terminal values to certain concrete attributes of products. There are often a whole variety of variables affecting the product perception. Anyway, means-end-theory is a highly interesting method that certainly raises discussion. It is in many cases a productive tool to track down linkages for example between consumers' values and product design.

Same kind of problems related to conceptualization are involved in Schwarz's (1992) theory as well. The model was demonstrated in a fairly superficial manner in this paper, and therefore its further assessment may not be appropriate. However, it could be questioned that: Are the present value types and dimensions the most relevant ones to describe consumer values? It has to be admitted that the foundations behind the model of Schwarz's are very convincing, and it is suitable to many different uses. For instance when making cross-cultural comparisons, it is possible to find some appearing features in

consumers in certain countries, and thus to make interesting generalizations. Still, it is not reasonable to rush into precipitate conclusions on the basis of superficial interpretation of Schwarz's model.

The same notion of careful use applies also to lifestyle categorizations. The AIO framework seems to be a nicely constructed framework that is relevant in several occasions. However, the fragmentation of values and lifestyles (one of our findings) that is occurring at the moment may mean that the categories should be thought over to correspond to the present and future situation. Most of all, a marketer has to be careful when using this type of categorization to construct market segments. Consumers can possess an extremely inconsistent range of different preferences, varying according to different occasions. Furthermore, the nature and meaning of work and free time, for instance, have changed radically in many peoples' lives.

Culture is an extremely important variable modifying consumer behavior, especially in certain product categories. Its role is however very difficult to identify, because it is dependent on a wide variety of other factors as well. We may argue that for instance Wallace's theory (Samli 1995, 13) is too simple when proposing that culture is the all encompassing force which forms personality. However, as a result of our limited study, we are not able to make any strong arguments either for or against prevailing studies about culture's affect on behavior. We have to be satisfied with admitting that product perception is indeed substantially influenced by cultural factors. The perpetual question still remains: What is learned in behavior and what is included in our genotypes?

Consumer values are also often culture-related. This can be seen when comparing different cultures or countries and their cultural values. Thus, this paper reinforced the statements according to which cultural values are important to the organized and integrated nature of culture (Loudon & Della Bitta 1993, 88), and differences in cultural values can be a key factor in understanding cross-cultural consumer behavior (Wilkie 1994, 316). Regarding the results of this study, we can also easily agree with Wilkie and his summary of major lifestyle and belief bases that underpin differences in consumer behavior across cultures; cultural values, cultural conventions, climate and geography, physiological differences, need and use environment, perceptions of product need, past

product experience, product use customs and existing product preferences. These factors indeed determine the way how consumers behave in relation to products such as cars.

This paper is too narrow to justifiably assess the relevancy of different cultural classifications. There are lots of stereotypes available from different countries, many of which were notified by this study too. For example Hofstede's (1978) studies proved to be very useful in several contexts. However, as repeated many times, they should not be taken for granted. We could also ask what should be the reasonable classification in the future. Will categories like individualism, power distance, uncertainty avoidance and gender be the most appropriate ones to describe differences among different countries? Cultural classifications can be used in identifying cultural values, and further affinity to new ideas, for example. This creates new interesting findings, but there is a danger that connections are interpreted in a too abridged way. As a summary of the use of existing cultural classifications, it may be noted that classifications together with values connected to them are applicable on the general level also to our target countries, but they might be more relevant in comparing clearly divergent cultures like western societies and developing countries.

There are various variables affecting car choices of consumers; values, practical needs, image etc. So, the choice is influenced by the perspective from which a consumer is looking cars. For instance, the approach of LTT (1992, 13) on factors affecting passenger car demand puts a lot of emphasis on macroeconomic themes, whereas Aer (1996, 45) discusses the impact of car attributes on consumers' purchase decisions. These both are interesting presentations but we should not exclude consumers' personal factors (values etc.) and image of cars, which both were stressed in this study. In addition, Aer's study was focused on Finland, and it is assumed that the result would be different in other countries.

Regarding product perspectives, it is naturally very difficult to divide different products into categories. Almost every product can be monitored from various perspectives; utilitarian, personification, symbolism, and so forth. Hakkio (1994, 37) has also built an integrated product model that combines different product perspectives. The model is yet very interesting but it is also rather difficult to comprehend because of all those often very

abstract qualities. However, this is not any disadvantage, but a challenge. The complexity of this issue has to be accepted, there are no "straight answers". As we have noticed also in this paper, products may be viewed in various different ways, and all models to outline product perception are undoubtedly needed. It may be argued that utilitarian (layered) product is the most concrete way of investigating product meanings. But in that case too, definitions are not self-evident. In a personified product, complexity is still more apparent. Furthermore, in perspectives emphasizing symbolism (semiotic product), the approach is very abstract, even though semiotics as a science is well-organized, yet not so much used in marketing and business literature. It is also closely related to product design (signifier) and messages (signified) that are communicated through design. Moreover, we noticed that culture has a central role in semiotic analysis. Semiotic sign is often referred to as a code that is produced by cultural rules. The fourth perspective of linkages between products' abstraction levels (means-end) is based on assumption that product itself is not important to perceiver, but it gets its meaning from consequences product can offer. Thus, it may be the most speculative way of these perspectives to look at products. The basic problem of this method is to find out how – and which – consequences are related to attributes, and values to consequences, in a reasonable manner. Means-end thinking is however a highly interesting concept to search for connections between the abstract self knowledge and concrete product knowledge – and product design between them.

Image formation of brands and products cannot be always controlled by companies. It takes a lot of time to build a strong and stable image, and the more strongly established the image is, the harder it is to be changed. In an international context, it is important to take country differences into consideration. For example the use culture of products differs among countries. Furthermore, what was often mentioned in this paper, is the country of origin image. According to Niss (1995, 9), product image is affected by the product itself, by buyer's personal experience, by media, and by country of origin image that is formed through cognitive and affective components from the image of product's home country. The country of origin is not necessarily directly associated with the country of production. From the case of automobiles, we learned that even if a Japanese product would be manufactured in Europe from European components, it would be still considered as a Japanese product due to its already established image of a Japanese brand. Thus, the country of origin image is a much more complex issue than just a direct

association between product and its so-called "country image". To the list by Usunier (1993, 249) seen at the beginning of chapter 3.3.2, we could add the position of domestic companies' products in the field. As we noticed, consumers positive attitudes towards domestic car brands were reinforced by their powerful position in distribution, service, and so on (which often was due to past import restrictions, imposed on foreign brands). National brands seem to set an automotive standard in their home market, to which foreign brands are then compared. It is assumed that this kind of situation is rarely so evident within other product categories.

To discuss the role of product design in product perception- or psychological responses to product form – we used Bloch's model (1995) that was very useful for our purposes. Bloch's model is one of the rare attempts to outline design's important role in marketing literature. The importance of design naturally depends on the product in question but concerning most of the products today, it should be taken into consideration. Our study proved that Bloch's model offers a very feasible way to describe relationships between consumers and product form. It is hoped that this study brought more knowledge to this complex theme, and thus emphasized the meaning and multiplicity of product design in international business.

6.2 Managerial Implications

What then should be considered from managerial perspective in order to bring the themes of this study into practice?

First of all, if considering any kind of a company selling some products, not only the car manufacturers, the basic product has to be competitive. A good product - technically, functionally... - forms a solid base for success.

In addition, a company has to have a clear strategy that is based on its core competencies - that should first be recognized. This has much to do with the desired image. A (car) designer has to know what kind of image it want to communicate to consumers. This of course requires also research of their perceived image at the moment. It is often the case

that the image of a brand or company's products is seen differently from the perspective of consumers and that of the company. The image has to be justified (it has to offer some additional value to target customers to differentiate company's products from those of competitors) and consistent (meaning that also design has to communicate this consistency) also in the long run. It is crucial that the brand and its products are strongly recognizable (some specific design elements etc.), which is a clear absence in many cases. If a company has a clear identity - whether it is a high or a low profile one -, knows the needs of the target customers and how to respond to them, its life is much easier. This all naturally requires a wide analysis of company's and its competitors images, their positions. It should be asked that what is the current image of the company in comparison to its competitors, why the situation is like that, and what kind of image the company would want to possess. Then the company has to find the right means to implement the image change; product, design, product line and marketing communication decisions. For a car manufacturer, especially, it is essential that decisions are made on a long-term basis. Once the direction in chosen, it has to be logically and consistently supported. Success is rarely built in one night.

For global manufacturers, the image (and design) is always more or less a compromise. Therefore, the company has to be well aware of the cultural aspects that affect consumer tastes in its key markets. Decisions should not be based on a limited knowledge, and a thorough research about consumers in the target country has to be conducted before making any substantial investments there. What is also important, it is dangerous to make hasty generalizations by e.g. trying to make a product that could fit in everybody's taste. Therefore, it is crucial especially for smaller companies that their target segments are clearly recognized and determined. As mentioned in many contexts, segmentation will be more and more made on a basis of lifestyles and values that can often be very scattered.

Product design has to respond to these challenges. It is important to know how different elements of design, for example, are perceived by consumers. One possible alternative is to conduct analyses like means-end laddering in order to find out how certain consumer values are related to different design attributes. As mentioned, the design has to be somehow consistent throughout the whole product line of the manufacturer.

An effective design management requires that all the parties - engineers, designers, marketers - are involved in the product development process from the very beginning until the very finalization. The group has to be also constantly aware of the changing trends in consumer behavior, car industry etc. Thus, a wide scope as well as constant and seamless cooperation between persons involved in a process is what is required from the product development.

In the automotive industry, service is the key factor to determine the success of all the manufacturers in the future. To highlight our managerial implications, we quote some articles released in International Herald Tribune on December 14th 1998. According to them, the challenges facing the car industry today might be listed as the four "Cs" – competition, complexity, customization and capacity in excess of global demand. First, carmakers today face *competition* in every aspect of their business. They need to be in every niche of the market to maximize cost efficiencies, and they must be lean, agile and cost-conscious. Second, *complexity* is due in part to the globalization of the auto industry. Manufacturers must cope with a variety of locations, government regulations and incentives, distribution patterns and consumer buying habits. In addition, automobiles themselves are becoming more complex. Third, buyers are demanding more and more *customization* in their cars. And finally, carmakers have to deal with an *excess in manufacturing capacity*, while the industry is cyclical.

The result of all this is that car companies must learn to "provide solutions" not build cars. This sets heavy requirements on companies' activities. For example, the integration of suppliers, designers, manufacturers, dealers and customers calls for information networks operating on a real-time basis. Furthermore, mass customization – tailoring mass-produced products to individuals – would not be possible without solutions of information technology to gather, organize, communicate and execute consumer-driven orders. Information technology alone is however not enough. The organization has to be changed and the technology introduced to make a difference. The articles also present some examples of companies experiencing new service concepts. For instance, a number of Audi dealerships plus five airports in Germany will soon be equipped with kiosks that enable customers to "build" the Audi they want, including options, colors and interiors, without sales assistance. Mercedes, in turn, has created together with IBM a fully

integrated, enterprise-wide information technology system to support the plant's business processes. Everything is just-in-time and sequenced, which means that customers can order cars custom-made to their specifications. Furthermore, Saab will soon have linked all its U.S. dealerships (and later also European dealers) in an e-business-based intranet called IRIS (Intranet Retail Information System) that benefits both dealers and manufacturing. IRIS offers Saab a competitive advantage by providing better service and easier access to information.

> *"Manufacturers have to find new ways to work in partnership with their franchised dealers, because the latter know the customer best, and that is the key to brand loyalty."*
> (Jerry Rode, director of information technology / Saab Cars USA, International Herald Tribune 14.12.1998)

6.3 Suggestions for Further Research

One of the main tasks of scientific research is to raise new questions about the issues that were not answered in the study. Therefore, to conclude this paper, we suggest some themes for further research that could bring new interesting knowledge to the field of international business.

First of all, it is obvious that more qualitative and quantitative research is needed to define consumer values and product perceptions. One interesting alternative could be to study practically how certain design elements are connected to certain values: In other words, how different attributes are perceived by consumers. This could be conducted e.g. by using the concept of means-end laddering.

Marketing of products with "high aesthetic value" in international context could be another interesting topic for research. Especially the role of design in international marketing of these products could provide valuable information for marketers speculating how company's product offering should be managed in different countries. Comparing product perceptions of consumers in different countries from the perspective of international marketing might be one way to outline this complex research subject.

The role of product design and aesthetics may change during the product's life cycle. There surely exist different requirements for design at the early stages, and at the phase of maturity, for example. Research of the relationship between design and products' life cycles might provide highly interesting and practical results. Another more concrete theme is the role of product design in international marketing channels, on which for instance Hakkio (1995) has focused.

In addition, there appears to be a constant need for case studies on the subject of the role of design and international design business management in some certain product categories, or in certain countries. Automobiles are just one important example, there certainly exists a whole variety of "black areas" in research on the relationships between design and marketing, in which many companies would be very interested. And there exist lots of interesting companies that could provide a solid base for conducting case studies of design's contribution on their businesses.

Furthermore, distinctions of design processes in different countries could be studied. Meaning that how the design functions are organized, what are the roles of designers, how is the product development managed, and so on. It came out during this project that there are big differences in the role of design - the structure of design industry, networking, design education etc. - in different countries. There exist wide reports of design's position in many countries, for example in Finland (Korvenmaa 1998 and Korvenmaa [ed.] 1998) – a project in which the author too was involved. More specific research of this type on design industry processes is undoubtedly needed.

Regarding car industry, we focused mainly on five European countries, even though we occasionally used some examples from Japanese and American perspectives. However, it would be interesting to see more studies discussing the issues of consumer behavior, product perception and product design from the viewpoint of automobiles in Europe-Far East (Japan)-America setting.

All in all, further research on the area of product design is badly needed in marketing and international business science. This often means blending elements from various

disciplines into the entity to widen the perspective. This study raised lots of interesting questions that will hopefully get answered in the future studies.

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LIST OF INTERVIEWEES

Alenius Christian	Managing Director, Idéinvest, Borås, Sweden, 11.9.1998
Alessi Alberto	Managing Director, Alessi s.p.a., Crusinallo, Italy, 12.10.1998
Björkman Ivar	Doctoral Student, School of Business/Stockholm University, Stockholm, Sweden, 9.9.1998
Bond Cay	Promostyl, Stockholm, Sweden, 9.9.1998
De Monthoux Pierre G.	Professor, School of Business / Stockholm University, Stockholm, Sweden, 8.9.1998
Dresselhaus Dirk,	Manager Marketing - Planning, Porsche AG, Weissach, Germany, 15.10.1998
Eriksson Riitta,	Fashion Designer, Virke Oy, Orimattila, Finland, 18.8.1998
Evrard Yves,	Professor of Marketing, Ecole des Hautes Etudes Commerciales, Paris, France, 5.10.1998
Gustafsson Claes,	Professor of Industrial Economy, Kungliga Tekniska Högskolan, Stockholm, Sweden, 8.9.1998
Hartmann Rochus,	Professor of Electronic Media, Munich, Germany, 14.10.1998
Heino Harri,	Director, Research Institute of the Evangelical Lutheran Church of Finland, Tampere, Finland, 25.9.1998
Höhn Michael,	Sales Manager, Porsche AG, Weissach, Germany, 15.10.1998
Irvine James,	Designer, Milan, Italy, 13.10.1998
Jollant Francoise,	Director, École National Superiur des Créations Industrielles, Paris, France, 5.10.1998
Karvonen Erkki,	Professor, Department of Journalism and Mass Communication / University of Tampere, Tampere, Finland, 25.9.1998
Korvenmaa Pekka,	Researcher, Sitra, Helsinki, Finland, 13.8.1998
Lassus Kristiina,	Project Manager, Alessi s.p.a., Crusinallo, Italy, 12.10.1998
Levander Kai,	Senior Vice President, Kvaerner Masa-Yards Technology, Turku, Finland, 3.9.1998
Linn Björn,	Professor of Architecture, Chalmers Tekniska Högskolan, Gothenburg, Sweden, 10.9.1998
Luhtanen Pekka,	CEO, L-Fashion Group, Lahti, Finland, 18.8.1998
Mannermaa Mika,	Researcher, Kuntaliitto, Helsinki, Finland, 24.8.1998
Neumeister Alexander,	Industrial Designer, Neumeister Design, Munich, Germany, 16.10.1998
Palmstierna Caroline,	The Swedish Society of Crafts and Design (Svensk Form), Stockholm, Sweden, 8.9.1998
Piatti Roberto,	Managing Director, Stile Bertone, Capri, Italy, 9.10.1998
Reese Jens,	Industrial Designer, Siemens Design & Messe GmbH, Munich, Germany, 14.10.1998
Rizzini Robin,	Industrial Designer, Studio McKimm, Milan, Italy, 9.10.1998
Roos Barbara,	Managing Director, Skanno, Helsinki, Finland, 25.8.1998
Rosengren Annette,	Researcher, Nordiska Museet, Stockholm, Sweden, 9.9.1998
Roubelat Fabrice,	Laboratoire d'Investigation Prospective et Strategique, Paris, France, 6.10.1998
Stark Stefan,	Designer, Porsche AG, Weissach, Germany, 15.10.1998
Teittinen Jouni,	Industrial Designer, E&D Design, Turku, Finland 3.9.1998
Toiskallio Kalle,	Researcher, Department of Sociology / University of Helsinki, Helsinki, Finland, 13.8.1998
Uusitalo Liisa,	Professor of Marketing / Helsinki School of Economics and Business Administration, Helsinki, Finland, 25.8.1998
Vihma Susann,	Associate Professor, University of Art and Design Helsinki, Helsinki, Finland, 7.8.1998
Väkevä Seppo,	Consultant, Carta Corporate Advisors, Helsinki, Finland, 12.8.1998
Wetcke Hans,	Managing Director, Design Zentrum München, Munich, Germany, 14.10.1998
Wiking Tommy,	Journalist, Stockholm, Sweden, 9.9.1998
Ytterborn Stefan,	Consultant, Ytterborn&Fuentes, Stockholm, Sweden, 9.9.1998
Zani Paolo,	Designer, Milan, Italy, 13.10.1998

In addition to these, there were conducted six other interviews that were subject to confidentiality agreements and cannot therefore be mentioned in this list.